

OUACHITA PARISH SCHOOL BOARD

**SINGLE AUDIT REPORTING PACKAGE
YEAR ENDED JUNE 30, 2011**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **JAN 25 2012**

**OUACHITA PARISH SCHOOL BOARD
MONROE, LOUISIANA
SINGLE AUDIT REPORTING PACKAGE
JUNE 30, 2011**

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INDEPENDENT AUDITORS' REPORT

Ouachita Parish School Board Monroe, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the **Ouachita Parish School Board** (the School Board) as of and for the year ended June 30, 2011, which collectively comprise the School Board's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School Board's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Ouachita Parish School Board, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2011 on our consideration of the School Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on

**Ouachita Parish School Board
Independent Auditors' Report**

compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis, the Budgetary Comparison Schedules, Schedule of Funding Progress for Other Post Employment Benefit Plan, and the Schedule of Employer Contributions for Other Post Employment Benefit Plan, as listed in the Table of Contents, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Ouachita Parish School Board's basic financial statements. The Other Supplemental Information (including the Schedule of Expenditures of Federal Awards) as listed in the Table of Contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Other Supplemental Information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Jeffrey Huffman, CPA, & Sonoma

(A Professional Accounting Corporation)

December 30, 2011

**Ouachita Parish School Board
Monroe, Louisiana**

Fiscal Year Ended June 30, 2011

**REQUIRED SUPPLEMENTAL INFORMATION
(PART A)**

**Ouachita Parish School Board
Monroe, Louisiana**

Fiscal Year Ended June 30, 2011



**Ouachita Parish School Board
Monroe, Louisiana**

Management's Discussion and Analysis

June 30, 2011

Management's discussion and analysis of the Ouachita Parish School Board's financial performance provides an overall review of the School Board's financial activities for the fiscal year ended June 30, 2011. The intent of this discussion and analysis is to look at the School Board's financial performance as a whole. The reader should read this discussion in conjunction with the information provided in the letter of transmittal, financial statements and the accompanying notes, which are all included in this report, to enhance their understanding of the Ouachita Parish School Board's financial performance and condition.

Financial Highlights

Key financial highlights during the 2010-11 fiscal year are as follows:

- Statement of Net Assets – The assets of the Ouachita Parish School Board exceeded its liabilities at the close of the most recent fiscal year by \$95,463,429 (net assets). Included in this amount is an unrestricted net liability of \$23,347,917, which means there are no unrestricted net assets available to meet the government's obligations to students and creditors if all obligations matured and became due and payable on June 30, 2011.
- Statement of Activities – The total net assets of the Ouachita Parish School Board decreased by \$3,803,578 for the year ended June 30, 2011. This is a 3.8% decrease from last year and is largely due to the significant increases in rates for employee benefits of \$6,196,927.
- Governmental Funds Balance Sheet – As of the close of the current fiscal year, the Ouachita Parish School Board's governmental funds reported a combined ending fund balance of \$61,384,433, a decrease of \$18,943,473 in comparison with the prior fiscal year. The majority of this fund balance is comprised of approximately (1) \$15.8 million for spending within the General Fund, (2) \$15.4 million which is reserved for dedicated spending purposes in the District #1 Maintenance and Operations Sales Tax Fund, (3) \$12.8 million for spending in other Special Revenue Funds which includes the sales tax salary supplement funds, the West Ouachita sales tax fund, school food service, and grants, (4) \$11.6 million is reserved for the payment of outstanding bond issues within the Debt Service Funds, and (5) \$5.7 million which is designated for specific construction projects within the Capital Projects Funds.
- Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances – Total revenues for the year ended June 30, 2011 for the governmental funds of the Ouachita Parish School Board amounted to \$210,465,394. Approximately 96.5% of this amount is received from four major revenue sources: (1) \$112.7 million from the state Minimum Foundation Program (MFP) formula (2) \$37.6 million from local sales taxes, (3) \$31.0 million from federal, state, and local grants and contributions, and (4) \$21.8 million from local ad valorem taxes.
- General Fund's Ending Fund Balance – At the end of the current fiscal year, fund balance for the General Fund, a major fund, was \$15,819,323, or 11.89% of total General Fund expenditures. Approximately \$1.65 million is committed for future claims and contingencies, equipment replacement, and specific programs, while \$14.17 million is unassigned and available for spending at the Board's discretion.

**Ouachita Parish School Board
Monroe, Louisiana**

Management's Discussion and Analysis

June 30, 2011

- **Capital Assets** – Total capital assets (net of depreciation) were \$230,954,184 or 64.5% of the total capital assets. The School Board uses these assets to provide educational services to children and adults; consequently, these assets are not available for future spending.
- **Long-Term Debt** – The Ouachita Parish School Board's total debt decreased \$7,477,668 (5.0%) during the current fiscal year. The school system outstanding debt at June 30, 2011 includes General Obligation Bonds of \$67.65 million, Revenue Bonds of \$72.38 million, and Limited Tax Certificates of \$2.07 million. The primary reason for the decrease was the annual principal payments for all outstanding long-term debt issues.
- **Ad Valorem Tax Revenues** – Collections from local property taxes in the General Fund increased by \$780,242 or 5.3 %due to increased property assessments overall and an increase in public service utility assessments due to the increased pipeline activity through the parish.
- **Sales Tax Revenues** – Collections from local sales tax revenues rebounded by \$2,258,419 or 6.4% after last year's drop due to the decline in the local economy in reaction to the much larger national economic decline. Collections have recovered to the 2008-09 levels.
- **Education Jobs Funds** - Stimulus funds authorized under the federal Education Jobs Bill totaling \$2,323,286 was received to prop up state equalization funding through the Minimum Foundation Program (MFP).
- **American Reinvestment and Recovery Act Funds (ARRA)** - Received \$4,309,309 in federal stimulus funding under ARRA for Title I and Special Education-IDEA B programs.

Using this Comprehensive Annual Financial Report (CAFR)

The management's discussion and analysis is intended to serve as an introduction to the Ouachita Parish School Board's basic financial statements. The School Board's basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the Ouachita Parish School Board's finances, in a manner similar to a private-sector business. There are two government-wide financial statements presented to report on the overall governmental activities of the School Board.

- The *Statement of Net Assets* presents information on all of the Ouachita Parish School Board's assets and liabilities, with the difference between the two reported as net assets. Over time,

**Ouachita Parish School Board
Monroe, Louisiana**

Management's Discussion and Analysis

June 30, 2011

increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Ouachita Parish School Board is improving or deteriorating.

- The *Statement of Activities* presents information showing how the School Board's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). The change in net assets reported in the *Statement of Activities* is an important indicator because it tells the reader whether, for the School Board as a whole, the financial position of the School Board improved or declined. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors affecting the School Board include the parish's sales and property tax bases and the state and federal government's continued funding.

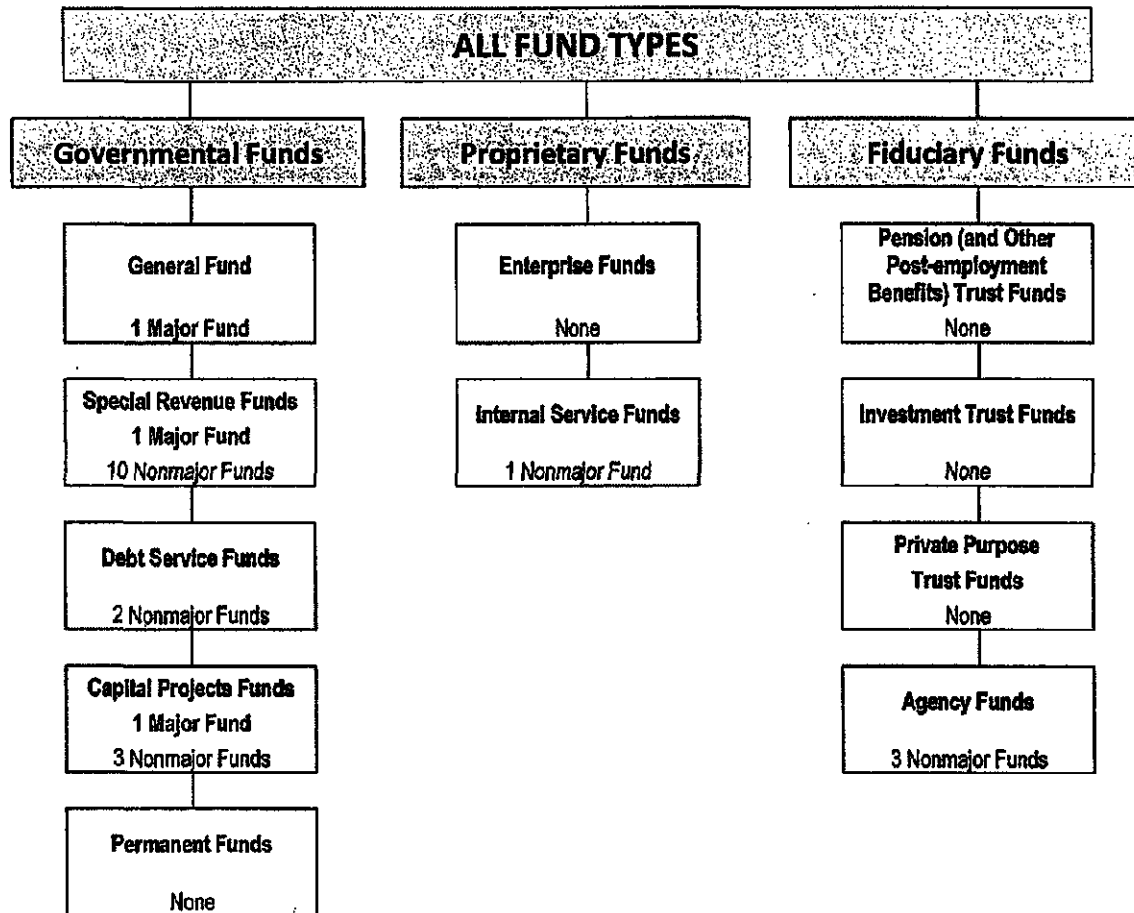
Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Ouachita Parish School Board, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements report on the specific governmental activities of the School Board. These statements provide more detail than the Government-wide Financial Statements about the services financed in the short-term as well as what remains for future spending in the School Board's more significant funds as well as all other nonmajor funds. The General Fund is the Ouachita Parish School Board's most significant fund.

All of the funds of the Ouachita Parish School Board are categorized into one of eleven fund types. Each fund type and the number of individual funds operated by the Ouachita Parish School Board for fiscal year 2010-11 are listed in the chart on the next page. Only the fund types under which the School Board's funds are operating are further discussed.

**Ouachita Parish School Board
Monroe, Louisiana**

Management's Discussion and Analysis

June 30, 2011



- **Governmental funds.** Most of the School Board's activities are reported as governmental funds, which focus on how money flows into and out of each fund and the balances remaining at year-end available for spending in future periods. These funds are reported using the modified-accrual accounting method, which measures cash and all other financial assets that can readily be converted to cash. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources at the end of the fiscal year. Such information may be useful in evaluating the Ouachita Parish School Board near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the School Board's

**Ouachita Parish School Board
Monroe, Louisiana**

Management's Discussion and Analysis

June 30, 2011

near-term financing decisions. Both the governmental funds Balance Sheet and the governmental funds *Statement of Revenues, Expenditures, and Changes in Fund Balances* provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The School Board uses many funds to account for a multitude of financial transactions. However, these governmental fund financial statements focus on the School Board's most significant funds. Information is presented separately in the governmental funds Balance Sheet and in the governmental funds *Statement of Revenues, Expenditures, and Changes in Fund Balances* for (1) the General Fund, (2) the District #1 Sales Tax Special Revenue Fund, and (3) the West Ouachita 2009 Construction Capital Projects Fund, which are considered to be the only major funds. Data for the other 15 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Changes in major funds. In the previous year the East Ouachita 2009 Construction Capital Projects fund was reported as a major fund in the governmental fund financial statements. Due to reduce construction and completion of planned projects, this fund is no longer classified as a major fund in 2010-11. However, the West Ouachita 2009 Construction Capital Projects Fund is being reported as a new major fund in the governmental fund financial statements this year due to the unliquidated investments held in the fund at year-end.

The School Board adopts an annual operating budget for its General Fund, each Special Revenue Fund, and each Debt Service Fund. Budgetary comparison statements have been provided to demonstrate compliance with these budgets.

- *Proprietary fund.* The Ouachita Parish School Board maintains one fund within the Proprietary Fund. Internal service funds are an accounting fund type used to accumulate and allocate costs internally among the School Board's various functions. The School Board is self-insured for workers' compensation and general liability claims and maintains policies with large deductibles for property and fleet vehicle insurance. A summary of the School Board's insurance coverage at June 30, 2011, has been included in the Statistical Section in the schedule titled "Insurance Coverage Data". Transactions related to meeting the claims incurred in these areas are accounted for in the Internal Service Proprietary Fund. Expenses in the Internal Service Fund are recognized as claims are incurred. Liabilities are recognized for incurred but unpaid claims. The Internal Service Proprietary Fund transactions are reported in a separate section consisting of a *Comparative Statement of Net Assets*; a *Comparative Statement of Revenues, Expenses, and Changes in Net Assets*; and a *Comparative Statement of Cash Flows*. Because this service predominantly benefits governmental functions, it has also been included with governmental activities in the government-wide financial statements.

**Ouachita Parish School Board
Monroe, Louisiana**

Management's Discussion and Analysis

June 30, 2011

- *Fiduciary funds.* Fiduciary funds are used to account for resources held for the benefit of parties outside the Ouachita Parish School Board. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Ouachita Parish School Board's own programs. The School Board maintains three Agency Funds. The School Board is the trustee, or fiduciary, for its student activity funds, Migrant Education funds of other parishes, and State Equalization Funding of other agencies.

The Agency Fund for State Equalization Funding of other agencies is new for the 2010-11 year. The MFP formula adopted by the state legislature now requires a portion of the School Board's state MFP funding representing a per pupil allotment of the School Board's local tax revenue be deducted and transferred to other local education agencies (LEA). This occurs when a student within the jurisdictional boundaries of the Ouachita Parish School Board attends school at an LEA outside of the jurisdictional boundaries of the School Board.

All activities of these Agency Funds are reported in a separate *Comparative Statement of Fiduciary Assets and Liabilities*. The School Board is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the School Board's compliance with budgets for its major funds. The combining statements for nonmajor governmental funds are presented immediately following the required supplementary information.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Ouachita Parish School Board, assets exceed liabilities by \$95,463,429 at the close of the 2010-11 fiscal year. The School Board's net assets decreased by \$3,803,578 from last year's balance. Of the \$95.5 million of net assets at June 30, 2011, \$15.5 million were restricted by the School Board. Restricted net assets are reported separately to show legal constraints from debt covenants and enabling legislation that limit the School Board's ability to use those net assets for day-to-day operations.

The following analysis focuses on the net assets and change in net assets of the School Board's governmental activities.

**Ouachita Parish School Board
Monroe, Louisiana**

Management's Discussion and Analysis

June 30, 2011

Ouachita Parish School Board's Governmental Activities

Statement of Net Assets

	<u>June 30, 2011</u>	<u>June 30, 2010</u>
Current and other assets	\$ 93,359,235	\$ 110,808,607
Capital assets, net of depreciation/amortization	<u>230,954,184</u>	<u>217,085,596</u>
Total assets	<u>324,313,419</u>	<u>327,894,203</u>
 Current and other liabilities	 26,918,530	 24,742,596
Long-term liabilities	<u>201,931,460</u>	<u>203,884,600</u>
Total liabilities	<u>228,849,990</u>	<u>228,627,196</u>
 Net assets:		
Invested in capital assets, net of related debt	103,257,268	100,035,844
Restricted	15,554,078	15,938,655
Unrestricted	<u>(23,347,917)</u>	<u>(16,707,492)</u>
Total net assets	<u>\$ 95,463,429</u>	<u>\$ 99,267,007</u>

The negative balance of \$23,347,917 in unrestricted net assets at June 30, 2011 represents the accumulated results of all past years' operations. In theory, it means that if we had to pay off all of our bills today including all of our noncapital liabilities, such as compensated absences and unfunded other post-employment benefits, and sold all of our assets at their current value, we would not have enough funds to pay off all of our debt by \$23.3 million. This negative unrestricted net asset grew by \$6,640,425 over this past year.

A portion of the Ouachita Parish School Board's total net assets, \$103,257,268, reflects its investment in capital assets (e.g. land, buildings, machinery, and equipment) less any related outstanding debt used to acquire those assets. As you can see, net assets invested in capital assets exceed the total of all net assets held by the School Board at June 30, 2011. The School Board uses these capital assets to provide educational services to children and adults; consequently, these assets are not available for future spending or payment of obligations. Although the School Board's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The results of this year's operations for the School Board as a whole are reported in the *Statement of Activities*. The following table summarizes the *Statement of Activities* in a different format so that total revenue for the year can be more easily identifiable.

**Ouachita Parish School Board
Monroe, Louisiana**

Management's Discussion and Analysis

June 30, 2011

Ouachita Parish School Board's Governmental Activities

Statement of Changes in Net Assets

	<u>June 30, 2011</u>	<u>June 30, 2010</u>	<u>Increase (Decrease)</u>
Revenues:			
Program revenues:			
Charges for services	\$ 2,422,850	\$ 2,261,497	\$ 161,353
Operating grants and contributions	33,202,748	32,335,485	867,263
Capital grants and contributions	154,875	247,036	(92,161)
General revenues:			
Ad valorem taxes	21,274,013	20,009,291	1,264,722
Sales taxes	37,614,130	35,355,711	2,258,419
State Minimum Foundation Program	112,675,404	111,280,177	1,395,227
Interest on investments	463,259	535,324	(75,065)
Other general revenues	2,648,115	2,929,844	(281,729)
Total revenues	<u>210,455,394</u>	<u>204,957,365</u>	<u>5,498,029</u>
Expenses:			
Instruction:			
Regular programs	79,618,359	81,658,561	(2,040,202)
Special education programs	20,257,905	22,086,357	(1,828,452)
Vocational programs	2,525,521	2,110,705	414,816
Other instructional programs	8,964,146	2,398,201	6,565,945
Special programs	5,094,185	6,723,294	(1,629,109)
Adult/continuing education	1,304,667	682,287	622,380
Support services:			
Pupil support services	11,889,305	8,817,328	3,071,977
Instructional staff support services	13,066,081	12,384,806	681,275
General administration	2,585,952	1,828,041	757,911
School administration	12,117,437	11,142,189	975,248
Business services	3,116,489	2,929,867	186,622
Plant services	22,640,998	22,317,337	323,651
Student transportation services	10,435,400	9,749,254	686,146
Central services	3,235,562	2,785,771	449,791
Non-instructional services:			
Food services operations	11,244,768	11,366,639	(121,871)
Community services programs	75,104	72,833	2,271
Long-term obligations:			
Interest on long-term obligations	6,087,093	5,982,204	104,889
Total expenses	<u>\$ 214,258,972</u>	<u>\$ 205,028,674</u>	<u>\$ 9,230,298</u>
Decrease in net assets	(3,803,578)	(71,309)	(3,732,269)
Net assets at beginning of year	<u>99,267,007</u>	<u>99,338,316</u>	<u>(71,309)</u>
Net assets at end of year	<u>\$ 95,463,429</u>	<u>\$ 99,267,007</u>	<u>(\$ 3,803,578)</u>

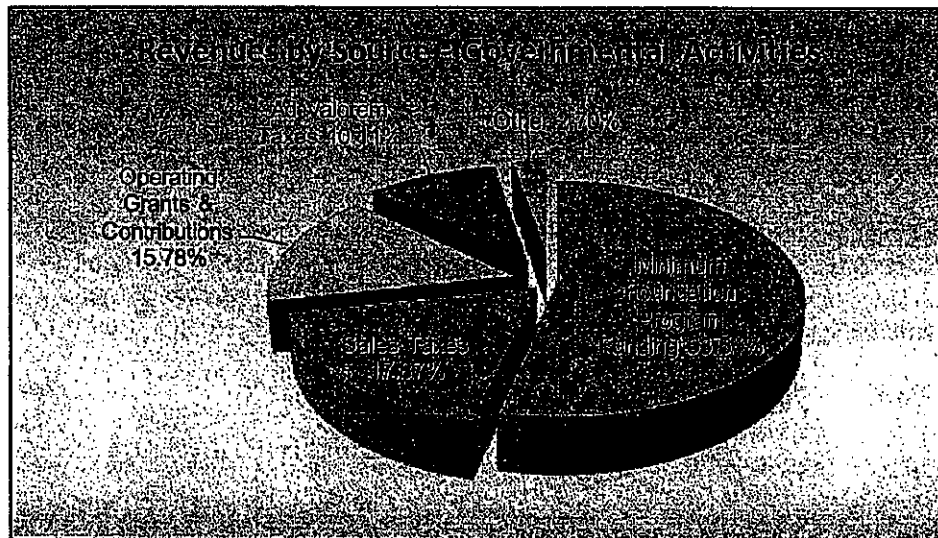
**Ouachita Parish School Board
Monroe, Louisiana**

Management's Discussion and Analysis

June 30, 2011

As stated earlier, the net assets of the School Board at June 30, 2011 decreased by \$3.8 million from the prior year. It should also be noted that expenses increased by \$9.2 million (4.50%) and revenues increased by \$5.5 million (2.68%). The increase in the cost of governmental activities far outweighed the increase in revenues to fund these activities. Revenues increased largely due to increases in local tax revenues and state funding through the Minimum Foundation Program Formula. However, operating expenses also rose at a much faster pace. This is due to two significant increases in fixed costs that impacted the cost of all governmental activities in 2010-11:

- (1) *Retirement Cost.* The employer contribution rate for participating members of the Teacher's Retirement System of Louisiana (TRSL) and the Louisiana School Employee's Retirement System (LSERS) on average increased by more than 30%. These state administered retirement plans are a defined-benefit plan and due to the poor performance of the markets over the last couple of years, contribution rates were adjusted actuarially to ensure continued funding for future benefits to be paid by the plans. The employer contribution rate for TRSL increased from 15.5% of eligible payroll to 20.2%. The employer contribution rate for LSERS increased from 17.6% of eligible payroll to 24.3%. Collectively, these increases in retirement contribution rates cost the School Board an additional \$5.4 million (or 2.5% of total expenses) in 2010-11 to operate its programs.
- (2) *Group Health Insurance Premiums.* The employer current insurance premium paid for group health and life insurance benefits provided to active and retired employees increased over \$770,000 during the 2010-11 fiscal year. This is largely due to the Office of Group Benefits increasing employee and employer monthly premiums an average of 3.0% in addition to more retirees being added to the plan this past year.



**Ouachita Parish School Board
Monroe, Louisiana**

Management's Discussion and Analysis

June 30, 2011

Revenues by Source – Governmental Activities

Total revenues of the Ouachita Parish School Board have increased by \$5,498,029 (2.7%) over the prior year. This mostly due to the increase in state MFP funding for student growth, in sales tax collections rebounding after the 2008-09 economic decline, and in ad valorem taxes collections continuing its upward trend and additional public service utility assessments for increased pipeline activity in Ouachita Parish and across northern Louisiana.

- **Minimum Foundation Program (MFP) Funding:** The largest revenue source for the School Board is state equalization funding awarded through the MFP at 53.5% of total revenues. This is the funding formula adopted by the Louisiana Board of Elementary and Secondary Education and approved by the Louisiana Legislature to equitably distribute state appropriated funds to public school systems throughout the state. These funds help to pay for employee salaries and benefits and general operations. The State does not appropriate funds to public school systems for building schools or retiring debt. The distributions made through the MFP formula are driven by student enrollments and demographics as of a certain date. The following is a summary of MFP Funding received by the School Board over a three-year period and student enrollment counts for reference.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>State MFP Funding</u>	<u>Percentage Increase (Decrease)</u>	<u>Federal Stimulus Received to Fully fund the MFP</u>
2008-09	18,480	\$113,854,421	7.15%	NA
2009-10	18,538	\$111,412,589	(2.14%)	\$3,454,350
2010-11	18,817	\$112,675,404	1.13%	\$2,323,286

The General Fund received \$111,235,722 of MFP funding and transferred to the School Food Service Special Revenue Fund \$1,439,682 in MFP funding. It should be noted the state did not appropriate state funds to fully fund the MFP funding formula. In 2010-11 federal stimulus funding of \$2,323,286 was appropriated through the Education Jobs Bill and passed through the Louisiana Department of Education to the School Board in order to provide level MFP funding. This stimulus funding is included with Operating Grants and Contributions and is reported in the Education Jobs Fund as a separate nonmajor Special Revenue Fund in the fund financial statements.

- **Sales Tax Revenues:** Sales taxes are the second largest revenue source for the School Board at 17.87% of total revenues. The School Board has four separate sales tax rates levied upon the sale and consumption of goods and services throughout the parish and one school district for public schools. Each is accounted for in a separate governmental Special Revenue Fund:

<u>Fiscal Year</u>	<u>Major Fund District #1 Sales Tax</u>	<u>1968 Sales Tax – Salary Supplements</u>	<u>1995 Sales Tax – Salary Supplements</u>	<u>West Ouachita District Sales Tax</u>	<u>Total Combined</u>	<u>Percentage Increase (Decrease)</u>
Tax Rate:	0.5%	0.5%	1.0%	1.0%	3.0%	NA
2008-09	\$ 6,179,920	\$ 8,900,657	\$ 12,520,683	\$ 10,096,035	\$ 37,697,295	1.74%
2009-10	\$ 5,761,805	\$ 8,622,288	\$ 11,684,435	\$ 9,287,183	\$ 35,355,711	(6.21%)
2010-11	\$ 6,130,045	\$ 9,101,919	\$ 12,428,471	\$ 9,953,695	\$ 37,614,130	6.39%

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Sales tax revenues increased by \$2,258,419 over the prior year. As the above chart indicates, the School Board's collections have recovered to pre-recessionary levels after the sharp decline in 2009-10. This is largely due to tax payers resuming normal spending patterns.

- **Operating Grants & Contributions:** The third largest revenue source for the School Board is operating grants and contributions at 15.78% of total revenues. Operating grants and contributions totaled approximately \$33.2 million and Federal grants represent approximately \$29.1 million or 87.5% of the total while state grants represent approximately \$2.0 million or 6.0%. These grants and contributions are specifically restricted to certain programs, and therefore, are netted against the costs of these programs to show a true net cost in the *Statement of Activities*.

<u>Fiscal Year</u>	<u>Title I Programs</u>	<u>Special Education IDEA-B</u>	<u>School Food Service</u>	<u>Other Operating Grants & Contributions</u>	<u>Total</u>	<u>Percentage Increase (Decrease)</u>
2008-09	\$ 5,002,879	\$ 3,924,220	\$ 5,470,664	\$ 12,178,825	\$ 26,576,588	13.35%
2009-10	\$ 7,105,095	\$ 5,854,764	\$ 6,404,244	\$ 12,991,382	\$ 32,355,485	17.86%
2010-11	\$ 7,709,105	\$ 7,443,098	\$ 6,413,579	\$ 11,636,966	\$ 33,202,748	2.61%

In the 2010-11 fiscal year, the School Board experienced an increase of \$847,263 in operating grants and contributions over the prior year. Title I, Special Education IDEA-B, and School Food Service make up \$21.6 million (64.95%) of total operating grants and contributions. Increases in operating grants and contributions are the result of increased spending of stimulus funding available to Title I and Special Education Programs.

It should be noted here approximately \$4.31 million in federal stimulus revenue was received in 2010-11. These funds were appropriated through the American Recovery and Reinvestment Act (ARRA) of 2009 and passed through the Louisiana Department of Education to the School Board for spending in specific program areas such as Title I and Special Education IDEA-B. This is the second year of stimulus funding under ARRA and the award period ended on September 30, 2011, which means this one-time stimulus funding has now ended. These funds are included as operating grants and contributions in the above chart and in the *Statement of Activities*.

- **Ad Valorem Tax Revenues:** The fourth largest revenue source for the School Board is ad valorem taxes at 10.1% of total revenues. Ad valorem collections are based upon the number of mills authorized by taxpayers and levied annually by the School Board and the taxable assessed value of property (established by the Ouachita Parish Tax Assessor), in accordance with the laws set-forth for this purpose by the Louisiana Legislature. The following chart lists the ad valorem tax revenues for the past three years.

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<u>Fiscal Year</u>	<u>Mills</u>	<u>General Fund (Major Fund)</u>	<u>Mills</u>	<u>Nonmajor East Ouachita Bond Debt Service Fund</u>	<u>Total</u>	<u>Percentage Increase (Decrease)</u>
2008-09	29.33	\$13,354,282	30.0	\$ 4,631,173	\$17,985,455	18.57%
2009-10	29.33	\$14,719,159	30.0	\$ 5,290,132	\$20,009,291	11.25%
2010-11	29.33	\$15,499,401	30.0	\$ 5,774,612	\$21,274,013	6.32%

Ad valorem tax revenues increased by \$1,264,722 (6.32%) over the prior year. Ad valorem tax collections continue to show modest growth especially in recently years attributed to increases in assessed property and public service utilities.

Cost of Services -- Governmental Activities

Program expenses and program revenues for governmental activities are classified by function (or program). Program revenues are comprised of (1) specific charges for the services, and (2) operating grants and contributions. The table below presents the total cost of services of each of the School Board's 9 largest functions, as well as each function's net cost (total cost less program revenues generated by the activities). Net cost shows the financial burden that was placed on the School Board's taxpayers by each of these functions. Providing this information allows readers to consider the cost of each function in comparison to the benefits they believe are provided by that function.

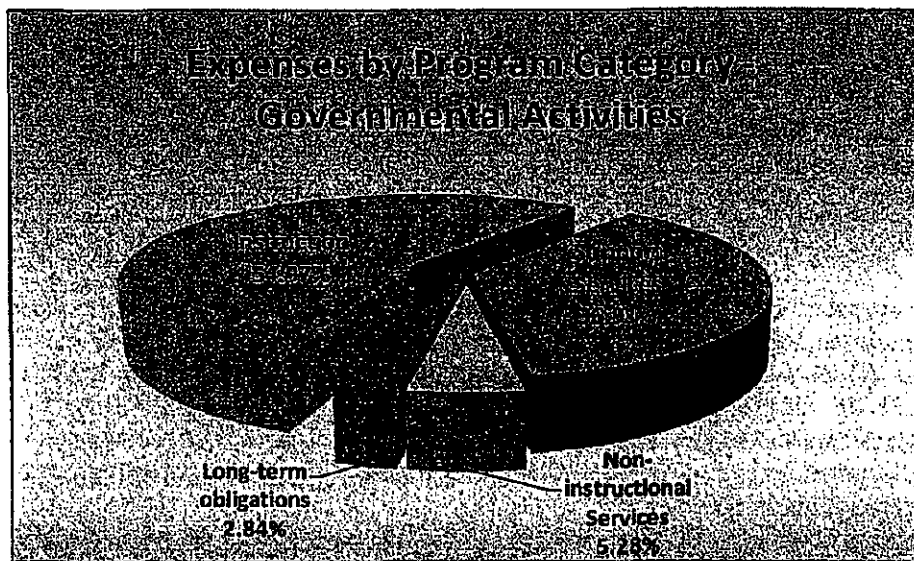
	<u>For Year Ended June 30, 2011</u>		<u>For Year Ended June 30, 2010</u>	
	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Regular programs	\$ 79,618,359	\$77,160,160	\$81,658,561	\$79,430,202
Special education programs*	20,257,905	17,149,281	22,086,357	19,124,110
Other instructional programs	8,964,146	6,515,873	2,398,201	1,129,354
Pupil support services*	11,889,305	8,801,685	8,817,328	5,465,983
Instructional staff support services*	13,066,081	6,592,187	12,384,806	5,203,915
School administration	12,117,437	11,725,660	11,142,189	11,041,415
Plant services	22,640,998	21,502,184	22,317,337	22,023,868
Student transportation services	10,435,400	10,104,395	9,749,254	9,548,350
Food service operations*	11,244,768	2,837,483	11,366,639	2,824,068
Subtotal	190,234,399	162,388,908	181,920,672	155,791,265
All other programs	24,024,573	16,089,591	23,108,002	14,393,391
Total	<u>\$214,258,972</u>	<u>\$178,478,499</u>	<u>\$205,028,674</u>	<u>\$170,184,656</u>

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For the 2010-11 fiscal year, total program expenses of approximately \$214.2 million exceeded total program revenues by approximately \$178.5 million. This net cost of services was funded with other general revenues of the School Board. (*) Food Service Operations continues to be the highest funded program followed by Instructional Staff Support Services, Pupil Support Services, and Special Education Programs.



- **Instruction:** Expenses for regular programs, special education, vocational , other instructional programs, special programs, and adult education programs are considered to be instructional services and represent the direct expenses of providing instruction to students. Instruction services for the fiscal year 2010-11 cost more than \$112.7 million and represents 55.03% of total governmental activities. The following chart shows the cost of instruction over the past three years:

<u>Fiscal Year</u>	<u>Instruction</u>	<u>Percentage Increase (Decrease)</u>	<u>Percent of Total Governmental Activities</u>
2008-09	\$127,343,874	4.87%	57.64%
2009-10	\$115,659,405	(9.18%)	56.41%
2010-11	\$117,764,783	1.82%	54.97%

As shown in the chart above, instruction services increased approximately \$2.1 million over the previous year. The increase is associated with two major costs: Increases in (1) employer contributions to state defined benefit retirement plan in excess of 30% over the previous year and (2) an average increase of 4.3% in employer premiums for group health and life insurance.

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- **Support Services:** Support services account for approximately \$79.1 million or 36.91% of all governmental activities. These services include Pupil Support Services (includes nursing and counseling services), Instructional Staff Support Services (includes media and library services, staff training and professional development, and curriculum support), General Administration of the School Board, School Administration, Business Services, Plant Services, Student Transportation, and Central Services.

<u>Fiscal Year</u>	<u>Support Services</u>	<u>Percentage Increase (Decrease)</u>	<u>Percent of Total Governmental Activities</u>
2008-09	\$74,957,811	4.90%	33.91%
2009-10	\$71,947,593	(9.18%)	35.09%
2010-11	\$79,087,224	9.92%	36.91%

Support services increased by \$7,139,631 or 9.92% over the previous year mainly due to three costs: (1) Increase in employer contributions to state defined benefit retirement plan in excess of 30% over the previous year, (2) an average increase of 4.3% in employer premiums for group health and life insurance, and (3) the salaries and related benefits for several professional positions that were included in Regular Program and Special Education Program Instruction in 2009-10 were reclassified to Pupil Support Services in 2010-11 mainly to align with state uniform account classification code changes implemented during the fiscal year.

- **Non-Instructional Services:** Activities concerned with providing non-instructional services to students, staff or the communities are defined as Non-Instructional Services. These services in this category include Food Service Operations and Community Service Programs. Non-Instructional Services account for \$11,319,872 or 5.28% of total governmental activities.

<u>Fiscal Year</u>	<u>Non-Instructional Services</u>	<u>Percentage Increase (Decrease)</u>	<u>Percent of Total Governmental Activities</u>
2008-09	\$12,139,626	4.77%	5.49%
2009-10	\$11,439,472	(5.77%)	5.58%
2010-11	\$11,319,872	(1.05%)	5.28%

Non-instructional services decreased by \$119,600 or 1.05% from the previous year mainly due to a reduction in worker's compensation claims incurred in Food Service Operations.

- **Long-Term Obligations:** This activity covers interest expense and recurring expenditures to service outstanding debt, such as fees paid to paying agents and legal fees. The cost of activities related to long-term obligations, which is primarily interest expense, was \$6,087,093 or 2.84% of total governmental activities during the 2010-11 fiscal year.

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<u>Fiscal Year</u>	<u>Non-Instructional Services</u>	<u>Percentage Increase (Decrease)</u>	<u>Percent of Total Governmental Activities</u>
2008-09	\$6,498,688	15.52%	2.94%
2009-10	\$5,982,204	(7.95%)	2.92%
2010-11	\$6,087,093	1.75%	2.84%

Expenses for long-term obligations increased \$104,889 or 1.75% from the previous year mainly due to interest payments starting on \$9.2 million of new East Ouachita General Obligation Bonds sold in the previous fiscal year.

Financial Analysis of Governmental Funds

As noted earlier, the Ouachita Parish School Board uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements and to help it control and manage money for particular purposes. The focus of the Ouachita Parish School Board's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources and to help the reader to determine whether the School Board is being accountable for the resources taxpayers and others provide to it. In particular, unrestricted fund balance may serve as a useful measure of a School Board's net resources available for spending at the end of the fiscal year.

As of the close of the current fiscal year, the School Board's governmental funds reported a combined ending fund balance of \$61,384,433, a decrease of \$18,943,473 in comparison with the prior fiscal year. The key factors of this decrease are as follows:

- **General Fund** – The General Fund, the principal operating fund of the School Board, operated with a deficiency of \$1,492,060 for the 2010-11 fiscal year and ended the year with a fund balance of \$15,819,323. This represents an 8.6% decrease in fund balance. The major revenue sources in the General Fund are state Minimum Foundation Program funding and ad valorem tax revenues. The School Board adopted a formal policy that stated that the General Fund's fund balance should be maintained between 10 and 15 per cent of General Fund expenditures. The current balance of 11.9% is within the fund balance limits set by the Board. The following chart shows the fund balance and operating history of the General Fund for the past three years and 2010-11:

<u>Fiscal Year Ended</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Other Sources (Uses)</u>	<u>Excess (Deficiency)</u>	<u>Ending Fund Balance</u>	<u>Fund Balance as a Percentage of Expenditures</u>
6/30/2008	\$124,027,048	\$126,744,579	(\$1,268,052)	(\$2,717,531)	\$ 17,297,206	13.64%
6/30/2009	\$131,496,025	\$129,235,799	(\$2,760,392)	\$2,260,226	\$ 17,870,077	13.82%
6/30/2010	\$128,777,496	\$126,377,463	(\$2,900,876)	\$2,400,033	\$ 17,311,383	13.70%
6/30/2011	\$131,559,114	\$133,041,354	(\$9,820)	(\$1,492,060)	\$ 15,819,323	11.89%

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Revenues. Overall General Fund revenues in the General Fund had a net increase of about \$2.8 million. Ad valorem taxes were up \$780,242 for the year. The increase in ad valorem taxes was due to an increase in property assessment values and new assessments on public utility services. The state MFP funding increased by \$1.26 million again it was not fully funded with state appropriated funds. Federal funds in were received in the amount of \$2.3 million under the Education Jobs Bill (federal stimulus) to make up the short fall in state appropriations for the MFP. Other revenue increases were from an additional \$437,026 in E-Rate reimbursements for increased service costs with our internet service provider to increase speed of service to all of our locations and \$302,560 in insurance reimbursements for property loss and damage. Earnings on our investments continue to lag with no increases this year, mainly in depressed short-term interest rates for maturities up to 3 years out.

Expenditures. General Fund expenditures increased by about \$6.7 million or 5.27%. The major increases are due to the following: (1) an increase of over 30% in our employer costs for retirement benefits over the previous year for all state retirement system plans combined. This amounted to an increase of about \$4.5 million in retirement expenditures. Total retirement plan contributions made from the General Fund in 2010-11 was \$15.5 million. (2) In addition, employer portion of premiums paid for employees participating in the state group insurance plan increased a total of \$666,629, or about 6.0%. This increase is largely due to a 3% increase in employer matching premiums and increased plan participation from retirees. Total cost of insurance premiums to the General Fund in 2010-11 was \$11.6 million. Other increases in expenditures came in increases in fuel cost energy costs and normal employee salary step increases.

Other Financing Uses. Transfers out decreased by \$2,945,669. The main reason for this decrease was that in 2009-10 the General Fund made a one-time transfer to the Internal Service Fund to help fund the payment of future workers compensation and general liability claims. No major transfers were made to other funds in 2010-11.

- **District #1 Sales Tax Special Revenue Fund.** The District #1 Sales Tax Special Revenue Fund is a major fund of the School Board. This tax was approved by voters for specific operating purposes and the revenues are allotted as follows: (1) instructional support – 36%, (2) facility and equipment support, and capital improvements – 38%, (3) salary restoration – 12%, and (4) mandated costs – 14%. The fund balance decreased by about \$1.9 million or 10.8% as compared to the previous year. The District #1 Sales Tax Fund ended the year with a fund balance of \$15,429,698.

<u>Fiscal Year Ended</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Other Sources (Uses)</u>	<u>Excess (Deficiency)</u>	<u>Ending Fund Balance</u>	<u>Percentage Increase (Decrease)</u>
6/30/2008	\$6,655,115	\$6,717,073	\$250,000	(\$61,958)	\$ 14,826,241	
6/30/2009	\$6,402,036	\$7,451,631	\$631,358	(\$1,049,595)	\$ 14,408,004	(2.82%)
6/30/2010	\$5,812,862	\$2,911,986	\$ -	\$2,900,876	\$ 17,308,880	20.13%
6/30/2011	\$6,166,113	\$8,045,295	\$ -	(\$1,879,182)	\$ 15,429,698	(10.86%)

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Revenues. The primary revenue source for this fund is the collection of a 0.5% sales tax levied on sales and use of goods and services throughout the parish excluding the City of Monroe. The levy of this sales tax was renewed by voters in April 2011 for an additional 10-year period. In 2010-11 sales tax collections increased by \$368,240 or 6.3% over the previous year, which is mainly due to taxpayers returning to their pre-recessionary spending patterns.

Expenditures. Expenditures increased in 2010-11 by \$5.1 million or 176.2% over the previous fiscal year due to the following: (1) \$1.4 million in increased spending for replacement of air handlers in schools to maintain older heating units. In the 2009-10 fiscal year, the General Fund paid \$1.1 million of this normal for the District #1 Sales Tax cost. In 2010-11 the District #1 Sales Tax Fund resumed payment of these expenditures. (2) \$1.1 million in expenditures for the School Board's alternative school paid by the General Fund in 2009-10 was transferred to the District #1 Sales Tax Fund in 2010-11. Prior to 2009-10 this was a normal cost to the District #1 Sales Tax Fund. (3) Increased expenditures for purchase of buses in 2010-11 were \$619,332. This was due to 14 buses being purchased instead of the normal annual replacement of 8 buses. Additional buses were purchased to replace 7 buses that burned in the bus yard in July 2010. (4) Replacement of roofs at 3 locations also added an additional \$801,121 to expenditures. Other increases came in the areas of student instructional enhancement and math, science and technology instruction.

- **West Ouachita 2009 Construction Capital Projects Fund.** The *West Ouachita 2009 Construction* fund is a new major fund in 2010-11. The primary revenue source for this fund is the one-time receipt of \$10 million in revenue bond proceeds in 2009-10 and any interest earned thereon. These bonds were designated as Qualified School Construction Bonds as permitted by federal stimulus legislation. The fund balance in the *West Ouachita 2009 Construction* fund decreased by \$5.9 million as the result of spending on construction projects in the bond district during the year. Construction of all projects in this fund is scheduled for completion by November 2012.
- **Nonmajor Other Governmental Funds.** The nonmajor *Other Governmental Funds* accounts for all other governmental funds of the School Board which are not considered major funds. These funds are presented in the *Special Revenue Funds*, *Debt Service Funds*, and *Capital Projects Funds* combining financial statements. Other Governmental Funds ended with a \$26,502,771 fund balance at June 30, 2011. This decrease of \$9.6 million (30.7%) over the previous year's fund balance is primarily due to activity in the *Capital Projects Funds*.

Special Revenue Funds. Special Revenue Funds includes non-major funds for two sales tax salary supplement funds, the West Ouachita district sales tax fund, school food service, and all other federal, state, and local grants. Special Revenue Funds ended with a fund balance of \$12,803,395 for the year which is a reduction of \$337,308 or 2.56% from the prior year's ending fund balance. This mainly due to increased spending in the *West Ouachita Sales Tax Fund* for school facility repairs, maintenance and improvements of about \$931,000 in the West Ouachita taxing district and for an additional transfer of \$381,784 to the West Ouachita Debt Service Fund to fund the current year's maturing principal and interest payments on outstanding district revenue bonds. It should also be noted that sales tax revenues from the 1.0% sales tax in the West Ouachita taxing district increased during the year by about \$626,000. *School Food Service Funds* operated with a surplus of \$381,000

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for the year. *State Grants* increased its fund balance by \$337,334 mainly due increased revenues from Medicaid from filing reimbursements of medical services provided to students.

Debt Service Funds. Debt Services funds includes funds for the payment of maturing debt in the *East Ouachita Bond Fund* and the *West Ouachita Bond Fund*. The primary funding sources for these debt service funds are a transfer of sales tax proceeds from the West Ouachita Sales Tax Fund to the West Ouachita Bond Fund and a 30.0 mill ad valorem tax approved by voters in the East Ouachita Bond District and levied by the board annually. The Debt Service Funds ended the year with a fund balance of \$10,908,961 which is a decreased of \$241,508 from the prior year. In accordance with state law, the fund balance in debt services funds should be maintained at a level not to exceed the next year's required principal and interest payments. During the year, the School Board refinanced \$8,545,000 of West Ouachita district revenue bonds which will save the taxpayers tax money in lower future interest payments over the remaining life of these bonds. The refinancing is accounted for in the *West Ouachita Bond Fund*.

Capital Projects Funds. The Capital Projects Funds account for the following non-major funds in 2010-11: *West Ouachita 2008 Construction*, *West Ouachita 2007 Construction*, and *East Ouachita Construction*. The Capital Projects Fund ended the year with a \$2,061,872 fund balance. This is a \$10.0 million reduction in fund balance as compared to the previous year's ending fund balance. This is primarily the result of all construction projects drawing near to a completion in 2010-11. The *West Ouachita 2007 Construction* funds are depleted as of June 30, 2011 and *West Ouachita 2008 Construction* incurred \$471,160 in construction expenditures during the year to finish up final remaining projects. *East Ouachita Construction* had the largest expenditures during the year at \$9.5 million, as the construction of the two new schools in the district were well under way with one being completed in January 2011 and the second at final stages of completion at year-end.

General Fund Budgetary Highlights

The School Board, in accordance with state law, must adopt a budget on the General Fund and all Special Revenue Funds by September 15th each year. In accordance with state law the School Board may have variances of five-percent of total revenues or expenditures in a fund before it is legally required to amend the budget. The School Board adopted its 2010-11 original budget on September 7, 2010, and revised the budget on June 28, 2011. Differences between (a) the original and final budget and (b) the final budget and actual data of the General Fund are as follows:

Revenues (Final Budget): Original revenues budgeted in the General Fund was reduced by \$1,097,099 or 0.8% in the final budget primarily due to an adjustment made during the year for MFP funding. The Louisiana Department of Education issues a state MFP funding letter in July each year that estimates the state MFP funding to be provided to school districts in the state for the fiscal year. This letter is later revised in December and again in March to account for adjustments in student enrollment throughout the school year. Based on the July funding letter, the original budget for MFP funding was estimated to be approximately \$113.0 million to the General Fund. However, in January 2011, the MFP allocation letter was revised to take into account a reduction in the amount of state MFP payments that would be made to

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school districts to equal the distribution of Education Jobs stimulus funding that was allocated to school districts outside of the MFP formula. Since the requirements for the Education Jobs funds required these funds to be accounted for as a special revenue fund, the budget for state MFP funding in the General Fund was reduced by approximately \$2.3 million. When the final MFP budget letter was received in March 2011, adjusting our funding upward for student growth during the year, the expected reduction of \$2.3 million was reduced to only \$1.1 million.

Revenues (Actual Data). Actual General Fund revenues exceeded the final budget by \$761,788. This was primarily due to the following (1) underestimating investment earnings by approximately \$200,000 when the adjustment to market value was made at year-end, (2) underestimating payments from school Agency Funds for reimbursement of substitute costs, printing, and bus field trip charges of approximately \$375,000 at year-end, and (3) revenue was not budgeted for on-behalf payments of \$50,835 made by the Louisiana Department of Education to the Teachers Retirement System of Louisiana for our teachers who receive the Professional Improvement Program stipend.

Expenditures (Final Budget). The original budgeted expenditures in the General Fund decreased on the final budget by \$231,902 or 0.2%. The primary reason for this reduction is the transfer of \$2.3 million of retirement expenditures from the General Fund to the Education Jobs Special Revenue Fund after the award for Education Jobs funding was made late in the year. This reduction was offset by the following increases in budgeted expenditures: (1) Increased salaries and benefits by \$398,000 for 8.5 additional teachers who were granted sabbatical leaves during the year in order to staff their positions while they are on leave. (2) Increased employer premiums by \$529,000 for increase in group insurance costs for the 3% rate increase effective in 2010-11 and increased plan participation. The original budget for group insurance expenditures was based on the previous year's cost. (3) Increased fuel and utility costs to adjust to current rate experience by an estimated 9% of original budgeted costs or \$381,000.

Expenditures (Final Budget and Actual). Overall, actual expenditures fell in line with the final budget except for an overage of \$61,470 or 0.04%.

Other Financing Sources (Final Budget and Actual). There were no Other Sources in the original budget. However, the budget was amended to in the actual amount of \$9,568 representing the proceeds from the sale of assets during the year.

Other Financing Uses (Final Budget and Actual). The original budget of \$400,000 was made in anticipation of overruns in the dedicated portion of the District #1 Sales Tax Special Revenue Fund for facility maintenance services, as had occurred in previous years. The budget was later revised to reduce this transfer to \$50,000 as this fund was operating with its budget. Also, an additional \$5,000 was added to the budget to transfer funds to the Agency Fund to provide start-up money for the new Sterlington Middle School, and another \$14,388 was budgeted to transfer funds to the Local Grants Special Revenue Fund for startup funds for the adult education GED testing program. At year-end, all transfers were made except for \$50,000, as facility maintenance services were able to operate within the allotted budget in the District #1 Sales Tax Fund.

Deficiency of Revenue over Expenditures (Final Budget and Actual). A deficiency of \$1,662,793 was originally budgeted, and with the final revision this estimated was increased by \$534,585 to \$2,197,378.

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The actual deficiency was \$1,492,060 for the year which is less than final budget by \$705,318 mainly due to the unanticipated increase in revenues described above.

Capital Assets

The Ouachita Parish School Board's investment in capital assets as of June 30, 2011 amounts to \$230,954,184 (net of accumulated depreciation and amortization) as reported on the *Statement of Net Assets*. This investment in capital assets includes land and improvements, buildings and improvements, furniture and equipment, intangibles, and construction in progress, and reduced by accumulated depreciation and amortization expense from the current and prior years. The table below shows the values of each category for two years.

Ouachita Parish School Board's Governmental Activities

Capital Assets (Net of Depreciation)

	June 30,	
	2011	2010
Land	\$ 6,148,660	\$ 6,067,839
Land improvements	2,268,097	-
Buildings and improvements	192,449,540	181,168,740
Furniture and equipment	9,665,030	10,145,781
Construction in progress	19,048,762	18,471,849
Intangible assets	1,374,095	1,231,387
Total	<u>\$ 230,954,184</u>	<u>\$ 217,085,596</u>

At June 30, 2011, net capital assets increased by \$13.9 million or 6.34% during the current fiscal year. Net capital assets were increasing on an average of \$25 million per year from the year 2000 until about 2005 when construction slowed down and net capital assets started increasing by approximately \$1 million per year. Then construction started again as the result of selling additional general obligation bonds and revenue bonds in 2007-08, 2008-09, and 2009-10. As a result, net capital assets have been increasing by an average of approximately \$12.8 million each year over the last three years. Renovation and construction projects were the main reason for the \$13.9 million increase in net capital assets.

Major capital asset events during the fiscal year included the following:

- Purchased 12 buses for the fleet at a cost of \$801,121 to replace 8 buses on the scheduled fleet age rotation cycle and 6 buses that burned at the East Ouachita bus barn.
- Purchased 2 land parcels for a future site for tennis courts at West Monroe High School - \$49,875
- Purchased corner section of property to add to new Richwood Middle School campus - \$17,697

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- Completed Construction and Renovation Projects added \$19,245,069 to capital assets:
 - Roof replacement at Kiroli Elementary - \$441,598
 - Roof replacement at Boley Elementary - \$387,422
 - New multipurpose building at West Ridge Middle School - \$333,608
 - New Richwood Middle School completed - \$13,801,209
 - Two new classrooms at Calhoun Middle School - \$297,953
 - Renovations at Crosley Elementary to enclose walkway and renovate bathrooms - \$479,473
 - Renovations at Highland Elementary for a new front entrance and canopy extension - \$176,114
 - Renovations at Drew Elementary to replace ceiling and floor tile - \$49,323
 - Renovations at Lenwil Elementary to enclose walkways, expand offices, renovate restrooms, lighting and windows - \$484,821
 - Renovations at Riser Elementary to enclose walkways, replace lighting, remodel cafeteria, and new driveway - \$644,812
 - Wiring upgrades at OPAC for security system, intercom, data wiring, and remodel windows and floors - \$607,210
 - Renovate HVAC ducts at West Monroe High School - \$239,155
 - Renovations at Swayze Elementary to install cover between buildings - \$119,877
 - Increase parking lot and concrete between wings at Claiborne - \$95,401
 - Resurface football field at Woodlawn Middle - \$49,000
 - New turf football field at West Ouachita High School - \$1,038,093
- Several capital improvement projects were still underway at June 30, 2011 that added \$19,048,762 to construction in progress:
 - Roof replacement at Instructional Annex/Maintenance Facility
 - Construction of the new Sterlington Elementary School
 - New greenhouse at Ouachita Parish High School
 - Construction of two new classrooms at Good Hope
 - Construct new cafeteria and six classrooms for Woodlawn Elementary and Middle schools
 - Construct four new classrooms at Robinson Elementary and renovate kitchen and classrooms
 - Renovations at Crosley Elementary to relocate office and enclose walkway.
 - Renovations at Boley for a new entrance, renovate restrooms and cover walkway
 - Renovations at Kiroli for a nurses conference room, renovate bathrooms and replace floors
 - Renovations to West Ouachita High School auditorium, cafeteria, and library and add crosswalk
 - Renovations to West Monroe High School auditorium
 - Renovations at Riverbend to make an outdoor classroom and install security system
 - Renovations at George Welch to make a new entrance, new floors, install gates and intercoms
 - Construct a new road entrance and front canopy at Central Elementary

Depreciation expense of \$8,661,184 and amortization expense of \$221,571 for the current fiscal year lowered all capital asset values by a total of \$8,882,755.

**Ouachita Parish School Board
Monroe, Louisiana**

Management's Discussion and Analysis

June 30, 2011

For additional information regarding capital assets, see Note 1.J. and Note 7 in the *Notes to the Basic Financial Statements* section of this report.

Debt Administration

At June 30, 2011, the School Board had \$142,099,024 in bonds and limited tax certificates of indebtedness outstanding, net of deferred amount of refunding and unamortized bond discount. Of the \$142,099,024 bonds and limited tax certificates of indebtedness outstanding, \$8,466,666 are due within one year. The table below summarizes the outstanding debt for each bond district at June 30, 2011 and the prior year.

**Ouachita Parish School Board's Governmental Activities
Outstanding Debt**

<u>Debt Instrument</u>	<u>June 30,</u>	
	<u>2011</u>	<u>2010</u>
General obligation bonds – East Ouachita	\$ 67,650,000	\$ 70,235,000
Revenue bonds – West Ouachita	72,379,024	75,301,692
Certificates of indebtedness	2,070,000	4,040,000
Total outstanding debt	<u>\$ 142,099,024</u>	<u>\$ 149,576,692</u>

Total outstanding debt decreased \$7,477,668 during the fiscal year because no additional bonds were sold during the fiscal year to finance construction projects. However, the School Board did sell \$8,545,000 in new revenue bonds during the year to partially refund the Series 2001 and Series 2002 Revenue Bonds which will result in a net savings to of approximately \$650,000 in interest payments over the remaining term of the new bonds.

The total amount of principal that will mature in less than one year for all debt instruments is \$8,245,000.

The state limits the amount of general obligation debt that school boards can issue to 35% of the assessed value of all taxable property within the school board's corporate limits. At June 30, 2011, East Ouachita Bond District's maximum legal debt limit was \$88,336,770. The East Ouachita District's outstanding general obligation bonded debt of \$67,650,000 is below the maximum debt limit.

The Ouachita Parish School Board continues to receive high ratings from Standard & Poor's on all of its outstanding debt:

<u>Debt Issues</u>	<u>Rating</u>	<u>Most Recent Ratings Issued</u>
General obligation bonds – East Ouachita	AA-	May 26, 2011
Revenue bonds – West Ouachita	AA-	November 29, 2011
Certificates of Indebtedness	AA	January 21, 2010

**Ouachita Parish School Board
Monroe, Louisiana**

Management's Discussion and Analysis

June 30, 2011

Other long-term obligations of the School Board include accrued vacation pay and sick leave and other post-employment benefits. We present more detailed information about our long-term obligations in Notes 1.N. and 12 in the *Notes to the Basic Financial Statements* section of this report.

Economic Factors and Next Year's Budgets and Rates

Below are several factors that will alter the original budget for fiscal year 2011-12 after its adoption:

- Current information from the Ouachita Parish Tax Assessor shows the taxable values of property tax assessments will increase 3.2% from \$692.2 million in 2010 to \$714.4 million in 2011. Land use for public service (pipeline activities) is the primary reason for the increase in values of \$22.2 million. Total ad valorem collections are expected to increase budgeted General Fund revenues by only about \$126,000.
- The Office of Group Benefits (OGB), the administrator of our agent multi-employer sponsored plan for active and retiree participants' health and life insurance benefits, normally hold the open enrollment for its member in April of each year, ahead of starting the plan year on July 1st. For this open enrollment period, OGB raised monthly premium costs to active and retired plan participants and employer sponsors by an average between 5 and 6% effective with July 1, 2011 benefit coverage. This increase has been taken into account when preparing the 2011-12 beginning budget. However, in October 2011, OGB held a second annual enrollment and raised monthly insurance premiums again by another 5 to 6% effective with January 1, 2012 benefit coverage in order to change the plan year to a calendar year cycle. This second rate increase *was not* included in the beginning budget, and it is estimated to cost the School Board an additional \$750,000 over the remainder of the 2010-11 fiscal year.

**General Fund
Summary of Original Budget
Fiscal year 2011-12**

Revenues	\$ 135,548,500
Expenditures	(138,349,847)
Other Sources (Uses) of Funds	(250,000)
Net Changes in Fund Balance	(3,051,347)
Beginning Fund Balance	15,819,323
Ending Fund Balance	<u>\$ 12,767,976</u>

The estimated ending fund balance at June 30, 2012 is 9.23% of total General Fund expenditures which falls below the range of the School Board's current fund balance maintenance policy which is 10-15 % of expenditures. The main cause for the reduction in fund balance is the continued increase in our fixed costs far out-pacing our increases in revenues in 2011-12. While we are anticipating our revenues to

**Ouachita Parish School Board
Monroe, Louisiana**

Fiscal Year Ended June 30, 2011



**Ouachita Parish School Board
Monroe, Louisiana**

Management's Discussion and Analysis

June 30, 2011

increase by approximately \$4.7 million, employer state retirement rates are again increasing more than 17% (or \$2.7 million), which is down from the 30% increase in 2010-11, and for the 6% increase (or 1.0 million) in insurance premiums for participating in the OGB plan. In addition, the newly constructed Sterlington Elementary School opened in 2011-12 and required additional staffing to operate, as well as additional staffing transferring to the General Fund as the result of stimulus funding under ARRA ending in September 2011. The resulting increase is 54 positions at a cost of approximately \$2.8 million.

The increase in retirement rates are beginning to slow as we have just received preliminary estimates of the state plan rates for the 2012-13 fiscal year which will only be a reasonable increase of about 4.0%. It is too early to say whether rates will return to pre-recessionary figures as there is much discussion at the state-level in changing the structure of our current retirement plans to reduce the funding burden on the state and local governments in a recession.

The School Board and administrative staff are currently actively working on plans to curtail spending and streamline operations in order to return to within the range of our fund balance policy. Of course with salaries and benefits being the largest makeup of our operating expenditures at approximately 86.2%, any plan implemented will certainly involve the reduction of staff. A timeline is in place for developing and finalizing the spending plan that will be presented to the School Board for consideration and/or adoption in March 2012 to be implemented for the 2012-13 fiscal year's budget.

In regards to the impact of the local economy on the finances of the School Board, our local economy is the stability and strength of our financial success. Our local tax base that has shown slow steady growth has been resilient to the national economic decline. The prospect for increased employment in the region is certain with the expansion of 1,150 direct jobs at CenturyLink over the next five years, which will further create an additional 1,170 indirect jobs in our area. So we look for the local economy to flourish in the near term due to the focus on economic development in our region.

Our uncertainty comes with our state MFP funding. We are currently in the third year of level funding under the MFP, meaning the increase in funding for the annual 2.75% inflationary factor has been waived. We have been fortunate during this time our student enrollment has continued to increase. As a result, the Ouachita Parish School Board has not had a reduction in MFP funding for many years. We anticipate future student growth from the increase in jobs in our area and ongoing economic development in the region. The state is focusing on many education initiatives at this time, and one of those initiatives is student-based budgeting. MFP funding is awarded to school districts as a block grant where the School Board has the flexibility to make spending decisions. Now with the focus on student-based budgeting, there are uncertainties about how the MFP funding formula may change and the authority the School Board will have in making spending decisions. We will continue to watch this initiative closely.

Contacting the School Board's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School Board's financial condition and to show the School Board's accountability for the money it receives. If you have questions about this report or need additional financial information contact Juanita H. Duke, Business Manager of Ouachita Parish School Board, P. O. Box 1642, Monroe, LA 71210-1642 or call at (318) 432-5000 or email to jduke@opsb.net.



COMMITTED
to Academic Excellence
for ALL Students!

Our Mission:
Through collaboration
among all stakeholders, the
Ouachita Parish School System
will ensure that all students attain
the knowledge and skills needed
to be productive citizens.

**Ouachita Parish School Board
Monroe, Louisiana**

Fiscal Year Ended June 30, 2011

BASIC FINANCIAL STATEMENTS

**Ouachita Parish School Board
Monroe, Louisiana**

Fiscal Year Ended June 30, 2011



**Ouachita Parish School Board
Monroe, Louisiana**

Fiscal Year Ended June 30, 2011

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

**Ouachita Parish School Board
Monroe, Louisiana**

**Statement of Net Assets
Governmental Activities**

June 30, 2011

Assets:

Cash and cash equivalents (Note 3)	\$ 36,686,507
Investments (Note 4)	39,357,586
Receivables (Note 6):	
Ad valorem taxes	72,674
Sales and use taxes	6,471,388
Federal grants	8,998,314
Other	595,549
Prepaid items (Note 1.H.)	1,417
Inventory (Note 1.H.)	371,923
Bond issuance costs, net (Note 1.I.)	803,877
Capital assets, net (Note 7):	
Land	6,148,660
Buildings and improvements	194,717,637
Furniture and equipment	9,665,030
Construction in progress	19,048,762
Intangible assets, net (Note 7)	1,374,095
Total assets	<u>324,313,419</u>

Liabilities:

Accounts payable	2,036,459
Salaries and wages payable	22,432,632
Deposit liabilities	98,000
Unearned revenues	526,854
Interest payable - bonds	1,824,585
Long-term liabilities:	
Due within one year (Note 12)	15,562,730
Due in more than one year (Notes 9 and 12)	186,368,730
Total liabilities	<u>228,849,990</u>

Net assets:

Invested in capital assets, net of related debt	103,257,268
Restricted for:	
Protested taxes	355,450
Salaries and benefits	10,626,165
West side operations	4,572,463
Unrestricted	(23,347,917)
Total net assets	<u>\$ 95,463,429</u>

See accompanying notes to the basic financial statements.

**Ouachita Parish School Board
Monroe, Louisiana**

**Statement of Activities
Governmental Activities**

Fiscal Year Ended June 30, 2011

	<u>EXPENSES</u>	<u>PROGRAM REVENUES</u>			<u>NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS</u>
		<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS AND CONTRIBUTIONS</u>	<u>CAPITAL GRANTS AND CONTRIBUTIONS</u>	
Functions/programs:					
Instructional services:					
Regular programs	\$ 79,618,359	\$ -	\$ 2,458,199	\$ -	\$ (77,160,160)
Special education programs	20,257,905	-	3,079,229	29,395	(17,149,281)
Vocational programs	2,525,521	-	310,618	-	(2,214,903)
Other instructional programs	8,964,146	167,109	2,281,164	-	(8,515,873)
Special programs	5,094,185	-	4,987,398	-	(106,787)
Adult/continuing education	1,304,667	38,290	1,225,664	-	(40,713)
Support services:					
Pupil support services	11,889,305	146,294	2,898,121	43,205	(8,801,685)
Instructional staff support services	13,066,081	-	6,391,619	82,275	(6,592,187)
General administration	2,585,952	-	33,128	-	(2,552,824)
School administration	12,117,437	-	391,777	-	(11,725,660)
Business services	3,116,489	6,286	1,205,020	-	(1,905,183)
Plant services	22,640,998	-	1,138,814	-	(21,502,184)
Student transportation services	10,435,400	22,000	309,005	-	(10,104,395)
Central services	3,235,562	760	76,635	-	(3,158,167)
Noninstructional services:					
Food service operations	11,244,768	1,991,059	6,416,226	-	(2,837,483)
Community service programs	75,104	51,052	131	-	(23,921)
Long-term obligations:					
Interest on long-term obligations	6,087,093	-	-	-	(6,087,093)
Total Governmental Activities	\$ 214,258,972	\$ 2,422,850	\$ 33,202,748	\$ 154,875	(178,478,499)
General revenues:					
Taxes:					
Ad valorem taxes levied for:					
General purposes					15,499,401
Debt service purposes					5,774,612
Sales taxes levied for:					
General purposes					16,083,740
Salaries and related benefits					21,530,390
Grants and contributions not restricted to specific programs:					
Minimum Foundation Program					112,675,404
State revenue sharing					825,408
Interest and investment earnings					463,259
Other					1,822,707
Total general revenues					174,674,921
Changes in net assets					(3,803,578)
Net assets at beginning of year					99,267,007
Net assets at end of year					\$ 95,463,429

See accompanying notes to the basic financial statements.

**Ouachita Parish School Board
Monroe, Louisiana**

Fiscal Year Ended June 30, 2011



**Ouachita Parish School Board
Monroe, Louisiana**

Fiscal Year Ended June 30, 2011

FUND FINANCIAL STATEMENTS (FFS)

**Ouachita Parish School Board
Monroe, Louisiana**

**GOVERNMENTAL FUNDS
BALANCE SHEET**

June 30, 2011

(With Comparative Totals For June 30, 2010)

	GENERAL FUND	SPECIAL REVENUE FUND - DISTRICT #1 SALES TAX	CAPITAL PROJECTS - WEST OUCHITA 2009 CONSTRUCTION	OTHER GOVERNMENTAL	TOTAL	
					2011	2010
Assets:						
Cash and cash equivalents (Note 3) \$	-	\$ 14,535,748	\$ -	\$ 20,187,559	\$ 34,703,307	\$ 41,497,871
Investments (Note 4)	20,620,086	-	9,199,855	6,217,162	36,037,103	49,784,193
Receivables (Note 6):						
Ad valorem taxes	55,192	-	-	17,482	72,674	332,185
Sales and use taxes	-	1,057,610	-	6,413,778	8,471,388	6,498,316
Federal grants	55,727	-	-	8,942,587	9,998,314	4,534,777
Other	141,059	-	-	454,490	595,549	1,135,398
Due from other funds (Note 13)	13,817,728	415,511	-	2,734	14,235,973	3,104,126
Inventory (Note 1.H.)	-	-	-	371,823	371,923	178,164
Prepaid items	-	-	-	1,417	1,417	480
Total assets	\$ 34,689,792	\$ 16,008,869	\$ 9,199,855	\$ 41,589,132	\$ 101,487,848	\$ 107,065,510
Liabilities and fund balances						
Liabilities:						
Accounts payable	\$ 571,376	\$ 177,389	\$ 600,690	\$ 676,439	\$ 2,025,893	\$ 2,432,663
Salaries and wages payable	17,880,849	401,782	-	4,150,001	22,432,632	20,097,172
Deposits payable	-	-	-	98,000	98,000	-
Retainages payable	-	-	159,715	624,148	783,863	861,084
Unearned revenues	-	-	-	526,854	526,854	235,798
Other liabilities	-	-	-	-	-	6,783
Due to other funds (Note 13)	418,245	-	4,806,809	8,010,919	14,235,973	3,104,126
Total liabilities	18,870,469	579,171	5,587,214	15,088,361	40,103,215	28,737,604
Fund balances:						
Nonspendable: (Note 14)						
Inventory	-	-	-	114,280	114,280	72,012
Restricted for: (Note 14)						
Protested taxes	250,313	-	-	106,137	355,450	355,450
Instructional costs	-	3,636,229	-	2,244	3,637,473	3,494,297
Salaries and benefits	625,000	4,614,732	-	5,360,192	10,599,924	10,191,961
Maintenance and operation	-	-	-	-	-	773,562
Medical services	-	-	-	1,521,654	1,521,654	1,184,310
Food services	-	-	-	1,186,675	1,186,675	847,746
Mandated costs	-	5,181,285	-	-	5,181,285	5,824,931
Debt service	-	-	-	11,532,367	11,532,367	10,803,824
Construction and operations	-	-	-	4,672,483	4,672,483	5,471,160
Capital projects	-	1,998,452	3,632,641	2,061,872	7,692,965	24,191,615
Committed for: (Note 14)						
Drivers education	150,299	-	-	-	150,299	188,334
Major air conditioning repairs	-	-	-	-	-	752,608
Diplomas	3,681	-	-	-	3,681	757
Instructional costs	115,504	-	-	15,934	131,438	167,462
Scholarships and benefits	-	-	-	26,241	26,241	25,241
Scholarships	9,260	-	-	3,712	12,972	22,506
Assigned for: (Note 14)						
Major air conditioning repairs	500,000	-	-	-	500,000	1,500,000
Unassigned (Note 14)	14,165,266	-	-	-	14,165,266	14,460,250
Total fund balances	15,819,323	15,428,698	3,632,641	26,502,771	61,384,433	80,327,906
Total liabilities and fund balances	\$ 34,689,792	\$ 16,008,869	\$ 9,199,855	\$ 41,589,132	\$ 101,487,848	\$ 107,065,510

See accompanying notes to the basic financial statements.

**Ouachita Parish School Board
Monroe, Louisiana**

**Reconciliation of the Governmental Funds'
Balance Sheet to the Statement of Net Assets
June 30, 2011**

Total fund balances – governmental funds \$61,384,433

The cost of capital assets (land, buildings, furniture and equipment) and intangible assets (software) purchased or constructed is reported as an expenditure in Governmental Funds. The Statement of Net Assets includes those capital assets and intangible assets among the assets of the School Board as a whole. The cost of those capital and intangible assets is allocated over their estimated useful lives (as depreciation expense for capital assets and amortization expense for intangible assets) to the various programs reported as Governmental Activities in the Statement of Activities. Because neither depreciation nor amortization expenses affect financial resources, they are not reported in the Governmental Funds.

Cost of capital assets	\$355,649,119	
Accumulated depreciation	(126,069,030)	
Cost of intangible assets	2,222,174	
Accumulated amortization	<u>(848,079)</u>	230,954,184

The costs associated with issuing bonds are reported as expenditures in the Governmental Funds. The issuance costs are not considered financial resources in the Statement of Net Assets; therefore, the costs are reported on the Statement of Net Assets as an asset net of accumulated amortization.

Bond issuance cost	2,016,525	
Accumulated amortization	<u>(1,212,648)</u>	803,877

Elimination of interfund assets and liabilities.

Interfund assets	(14,235,973)	
Interfund liabilities	<u>14,235,973</u>	-

See accompanying notes to the basic financial statements.

(continued)

**Ouachita Parish School Board
Monroe, Louisiana**

**Reconciliation of the Governmental Funds'
Balance Sheet to the Statement of Net Assets (continued)
June 30, 2011**

Long term liabilities applicable to the School Board's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities – both current and long term – are reported in the Statement of Net Assets.

Post-employment benefits in the Governmental Funds are recorded as an expenditure when paid. The unfunded annual required contribution in the Statement of Net Assets is recognized as a liability as it accrues.

Balances at June 30, 2011 are:

Long-term liabilities:

Compensated absences payable	(\$6,783,418)	
General obligation bonds payable	(67,650,000)	
Revenue bonds payable	(72,985,000)	
Deferred amount on refunding – Rev. bonds	605,976	
Tax liability certificates of indebtedness	(2,070,000)	
Bond premium	(305,348)	
Other post employment benefits	<u>(51,034,634)</u>	(\$200,222,424)

Interest on outstanding bonds in the Governmental Funds is recorded as an expenditure when paid.

Bond interest in the Statement of Net Assets is recognized as an expense as it accrues.

Accrued interest on outstanding bonds	(1,824,585)
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See accompanying notes to the basic financial statements.

(continued)

**Ouachita Parish School Board
Monroe, Louisiana**

**Reconciliation of the Governmental Funds'
Balance Sheet to the Statement of Net Assets (continued)
June 30, 2011**

The School Board self-insures for general liability and workers' compensation. Funds to meet these liabilities are deposited in an Internal Service Fund. The Internal Service Fund is not reported with the Governmental Funds. The Internal Service Fund is reported in the Statement of Net Assets. The Internal Service Fund's net assets at June 30, 2011, are as follows:

Cash and cash equivalents	\$1,306,301	
Investments	3,997,382	
Accounts payable	(10,566)	
Claims liability	<u>(925,173)</u>	<u>\$4,367,944</u>
Net Assets		<u>\$95,463,429</u>

See accompanying notes to the basic financial statements.

(concluded)

Ouachita Parish School Board
Monroe, Louisiana

**GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES**

Fiscal Year Ended June 30, 2011

(With Comparative Totals For Fiscal Year Ended June 30, 2010)

	GENERAL FUND	SPECIAL REVENUE FUND - DISTRICT #1 SALES TAX	CAPITAL PROJECTS - WEST QUACHITA 2009 CONSTRUCTION	OTHER GOVERNMENTAL	TOTAL	
					2011	2010
REVENUES						
Local sources:						
Ad valorem taxes (Note 5)	\$ 15,489,401	\$ -	\$ -	\$ 5,774,611	\$ 21,274,012	\$ 20,009,291
1% ad valorem tax - tax collector	532,787	-	-	-	532,787	515,735
Sales and use taxes	-	6,130,045	-	31,484,085	37,614,130	35,355,711
Earnings on investments	241,246	36,068	82,573	103,372	463,259	638,324
Cash payments for meals	-	-	-	1,991,058	1,991,058	2,116,323
Other	2,800,031	-	-	1,413,492	4,013,523	2,996,682
State sources:						
State equalization	111,235,722	-	-	1,439,682	112,675,404	111,412,589
Revenue sharing	826,408	-	-	-	826,408	818,245
Professional Improvement Program	267,915	-	-	-	267,915	288,376
State contribution for teacher retirement (Note 8)	50,835	-	-	-	50,835	36,710
Restricted grants-in-aid	8,956	-	-	1,688,709	1,697,665	3,541,374
Federal sources:						
Federal programs	298,813	-	-	28,389,474	28,688,287	26,428,708
Other federal support	-	-	-	373,111	373,111	899,297
Total revenues	131,559,114	6,166,113	82,573	72,857,594	210,465,394	204,957,365
EXPENDITURES						
Instructional services:						
Regular programs	56,836,347	977,310	-	13,488,638	71,302,195	73,077,397
Special education programs	14,603,503	286,823	-	5,748,060	20,648,378	21,389,112
Vocational programs	2,095,875	58,106	-	565,430	2,719,411	2,082,934
Other instructional programs	4,874,341	1,433,730	-	2,562,324	8,870,395	2,328,212
Special programs	496,023	-	-	5,021,391	5,517,414	6,425,692
Adult/continuing education	24,789	-	-	1,257,503	1,282,272	678,763
Support services:						
Pupil support services	6,837,850	658,484	-	4,121,410	11,615,744	8,598,873
Instructional staff support services	5,528,996	186,798	-	7,111,594	12,827,388	11,963,491
General administration	1,308,783	40,612	-	417,528	1,767,921	1,174,872
School administration	10,204,775	86,373	-	1,571,712	11,862,860	10,865,993
Business services	1,676,827	19,757	-	1,374,211	3,072,795	2,809,793
Plant services	17,212,698	2,256,394	16,329	2,826,423	22,411,844	20,888,161
Student transportation services	7,857,155	1,083,022	-	1,317,759	10,257,936	9,049,620
Central services	2,744,169	15,692	-	216,239	2,976,100	2,538,344
Noninstructional services:						
Food service operations	708,804	133,073	78,166	10,182,510	11,110,553	11,220,125
Community service programs	23,851	-	-	51,183	75,034	72,845
Facility acquisition and construction	2,708	801,121	5,904,407	10,711,157	17,418,393	26,024,879
Debt service (Note 12):						
Principal	-	-	-	7,800,000	7,800,000	7,195,000
Interest and other charges	900	-	-	5,695,507	5,696,407	5,670,282
Bond issuance costs	-	-	-	155,512	155,512	69,556
Total expenditures	133,041,354	8,045,295	5,996,902	82,306,279	228,389,830	224,101,934
Excess (deficiency) of revenues over expenditures	(1,482,240)	(1,879,182)	(5,914,329)	(9,448,685)	(18,924,436)	(19,144,569)
OTHER FINANCING SOURCES (USES)						
Proceeds from sale of assets	9,568	-	-	-	9,568	6,330
Bond issuance	-	-	-	-	-	19,200,000
Issuance of refunding debt	-	-	-	8,545,000	8,545,000	-
Premium on refunding debt	-	-	-	225,486	225,486	-
Accrued interest on bond sales	-	-	-	-	-	12,908
Premium on bond sales	-	-	-	-	-	10,324
Payment to refunded debt escrow agent-principal	-	-	-	(8,110,000)	(8,110,000)	-
Payment to refunded debt escrow agent-interest	-	-	-	(684,091)	(684,091)	-
Transfers in (Note 16)	-	-	-	8,812,447	8,812,447	8,420,912
Transfers out (Note 16)	(19,388)	-	-	(8,798,059)	(8,817,447)	(11,381,332)
Total other financing sources (uses)	(9,820)	-	-	(8,217)	(19,037)	16,259,140
Net change in fund balances	(1,492,060)	(1,879,182)	(5,914,329)	(9,657,902)	(18,943,473)	(2,875,429)
Fund balances at beginning of year	17,311,383	17,308,880	9,548,970	38,180,673	80,327,906	83,203,335
Fund balances at end of year	\$ 15,819,323	\$ 15,429,698	\$ 3,634,641	\$ 28,522,771	\$ 61,384,433	\$ 80,327,906

See accompanying notes to the basic financial statements.

**Ouachita Parish School Board
Monroe, Louisiana**

**Reconciliation of the Governmental Funds'
Statement of Revenues, Expenditures, and Changes in
Fund Balances to the Statement of Activities
Fiscal Year Ended June 30, 2011**

Total net change in fund balances – Governmental Funds (\$18,943,473)

Amounts reported for governmental activities in the
Statement of Activities are different because:

Elimination of transfers in and out:

Transfers in	(\$8,812,447)	
Transfers out	<u>8,817,447</u>	5,000

Capital outlays and intangible assets are reported in
Governmental Funds as expenditures. However, in the
Statement of Activities, the cost of these assets is allocated
over their estimated useful lives as depreciation expense for
the capital assets and amortization expense for the intangible
assets. This is the amount by which capital outlays exceed
depreciation and amortization in the period:

Capital Outlays	22,423,424	
Depreciation	(8,661,184)	
Intangible Assets	364,279	
Amortization	<u>(221,571)</u>	13,904,948

Capital Assets nor depreciation are reported in the
Governmental Funds. Capital assets and accumulated
depreciation are reported in the Statement of Net Assets.
When an asset is disposed of that is not fully depreciated
it results in a loss on the disposal of the asset in the Statement
of Activities unless sales proceeds are received which are
in excess of carrying value. During the current fiscal year
the School Board had a loss on disposal of capital assets
of \$41,311.

(41,311)

See accompanying notes to the basic financial statements.

(continued)

**Ouachita Parish School Board
Monroe, Louisiana**

**Reconciliation of the Governmental Funds'
Statement of Revenues, Expenditures, and Changes in
Fund Balances to the Statement of Activities (continued)
Fiscal Year Ended June 30, 2011**

Repayment of bond principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. \$7,800,000

The costs associated with issuing bonds are reported as expenditures in the Governmental Funds. The issuance costs do not require the use of current financial resources; therefore, the costs are amortized over the life of the bond issue in the Statement of Net Activities. For the year ended June 30, 2011, bond issuance costs exceeded current year amortization of bond issuance costs as follows:

Bond issuance costs	\$155,512	
Current year amortization of bond issuance costs	<u>(68,310)</u>	87,202

The School Board self-insures for general liability and workers' compensation. Funds to meet these liabilities are deposited in an Internal Service Fund. The Internal Service Fund is not reported with the Governmental Funds; however, it is reported in the Statement of Net Assets. The net assets in the Internal Service Fund decreased from \$5,170,737 at June 30, 2010 to \$5,170,737 at June 30, 2011 for a net increase of \$4,367,944 (802,793)

See accompanying notes to the basic financial statements.

(continued)

**Ouachita Parish School Board
Monroe, Louisiana**

**Reconciliation of the Governmental Funds'
Statement of Revenues, Expenditures, and Changes in
Fund Balances to the Statement of Activities (continued)
Fiscal Year Ended June 30, 2011**

In the Statement of Activities, certain operating expenses-compensated absences (vacations and sick leave) - are measured by the amounts earned during the year. In the Governmental Funds; however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, vacation and sick time earned (\$584,452) was more than the amount used (\$400,457) by \$183,995.

(\$183,995)

Interest on long-term debt in the Statement of Activities differs from the amount reported in the Governmental Funds because accrued interest received from bond sales is recognized as Other Financing Sources when received and interest on outstanding bonds is recognized as an expenditure in the Governmental Funds when it is due, which requires the use of current financial resources. In the Statement of Activities; however, interest expenses are recognized as the interest accrues, regardless of when it is due. Interest expense payable at year end decreased from the previous year as follows:

Interest expense payable at June 30, 2011	(\$1,824,585)	
Interest expense payable at June 30, 2010	<u>1,970,182</u>	145,597

Bond premium from bond sales is reported in the Governmental Funds as Other Financing Sources when received. Bond premium is reported in the Government-wide Financial Statements as a liability and amortized over the life of the bonds.

Bond premium	(225,486)	
Current year amortization expense	<u>25,572</u>	(199,914)

See accompanying notes to the basic financial statements.

(continued)

**Ouachita Parish School Board
Monroe, Louisiana**

Fiscal Year Ended June 30, 2011



**Ouachita Parish School Board
Monroe, Louisiana**

**Reconciliation of the Governmental Funds'
Statement of Revenues, Expenditures, and Changes in
Fund Balances to the Statement of Activities (continued)
Fiscal Year Ended June 30, 2011**

Payments to an escrow agent to refund bonded debt are reported in the Governmental Funds as Other Financing Sources. The amount paid to the escrow agent for principal is removed from the long-term bonded debt in the Statement of Net Assets. The deferred part of the payment paid to the escrow agent is shown as a reduction of long-term debt in the Statement of Net Assets. The deferred amount is amortized over the lesser of the life of the original bonds or the life of the refunding bonds.

Payment on refunded debt to escrow agent	\$8,110,000	
Payment of deferred amount to escrow agent	162,200	
Current year amortization	<u>(49,532)</u>	\$8,222,618

Other post-employment benefits are reported in the Governmental Funds as expenditures when paid. The unfunded annual contribution is reported in the Statement of Activities as it accrues.

(5,252,457)

General obligation and revenue bonds issued in 2011 are included in the Governmental Funds as Other Financing Sources. Bond issues are not reported on the Statement of Activities but are reported as long-term liabilities on the Statement of Net Assets.

Revenue bonds	<u>(8,545,000)</u>
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Change in net assets of governmental activities	<u>(\$3,803,578)</u>
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See accompanying notes to the basic financial statements.	(concluded)
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**Ouachita Parish School Board
Monroe, Louisiana**

**Proprietary Fund - Internal Service Fund
Comparative Statement of Net Assets**

June 30, 2011 and 2010

	Total	
	2011	2010
Assets:		
Current assets:		
Cash and cash equivalents (Note 3)	\$ 1,306,301	\$ 3,306,419
Investments (Note 4)	3,997,382	2,824,038
Accounts receivable	-	91
Total assets	<u>5,303,683</u>	<u>6,130,548</u>
Liabilities:		
Current liabilities:		
Accounts payable	10,566	-
Claims liability - due within one year (Note 1.R.)	480,961	550,000
Noncurrent liabilities:		
Claims liability (Note 1. R.)	444,212	409,811
Total liabilities	<u>935,739</u>	<u>959,811</u>
Unrestricted net assets	<u>\$ 4,367,944</u>	<u>\$ 5,170,737</u>

See accompanying notes to the basic financial statements.

**Ouachita Parish School Board
Monroe, Louisiana**

**Proprietary Fund - Internal Service Fund
Comparative Statement of Revenues, Expenses
and Changes in Net Assets**

Fiscal Years Ended June 30, 2011 and 2010

	Total	
	2011	2010
Operating revenues		
Reimbursements from Insurers	\$ 330,993	\$ -
Operating expenses		
Self-Insurance claims and insurance premiums	<u>1,143,735</u>	<u>666,276</u>
Operating Income (loss)	(812,742)	(666,276)
Nonoperating revenues		
Earnings on investments	<u>9,949</u>	<u>26,603</u>
Income (loss) before transfers	(802,793)	(639,673)
Transfers in	<u>-</u>	<u>2,960,420</u>
Change in net assets	(802,793)	2,320,747
Net assets at beginning of year	<u>5,170,737</u>	<u>2,849,990</u>
Net assets at end of year	<u><u>\$ 4,367,944</u></u>	<u><u>\$ 5,170,737</u></u>

See accompanying notes to the basic financial statements.

**Ouachita Parish School Board
Monroe, Louisiana**

Fiscal Year Ended June 30, 2011



**Ouachita Parish School Board
Monroe, Louisiana**

**Proprietary Fund - Internal Service Fund
Comparative Statement of Cash Flows**

Fiscal Years Ended June 30, 2011 and 2010

	Total	
	2011	2010
Cash flows from (used by) operating activities:		
Reimbursements from insurers	\$ 331,084	\$ -
Claims and premiums paid	(1,167,807)	(546,288)
Net cash provided (used) by operating activities	<u>(836,723)</u>	<u>(546,288)</u>
Cash flows from noncapital financing activities:		
Transfer from General Fund	<u>-</u>	<u>2,960,420</u>
Cash flows from (used by) investing activities:		
Sale (purchase) of investments, net	(1,173,344)	22,745
Earnings on investments	9,949	26,603
Net cash provided (used) by investing activities	<u>(1,163,395)</u>	<u>49,348</u>
Net increase (decrease) in cash and cash equivalents	(2,000,118)	2,463,480
Cash and cash equivalents at beginning of year	3,306,419	842,939
Cash and cash equivalents at end of year	<u>\$ 1,306,301</u>	<u>\$ 3,306,419</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating income (loss)	\$ (812,742)	\$ (666,276)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Changes in assets and liabilities:		
(Increase) decrease in receivables	91	(91)
Increase (decrease) in payables	10,566	(13,308)
Increase (decrease) in claims liability	(34,638)	133,387
Net cash provided (used) by operating activities	<u>\$ (836,723)</u>	<u>\$ (546,288)</u>
Noncash investing activities:		
Increase (decrease) in fair value of investments	<u>\$ 1,173,344</u>	<u>\$ 22,745</u>

See accompanying notes to the basic financial statements.

**Ouachita Parish School Board
Monroe, Louisiana**

Fiscal Year Ended June 30, 2011



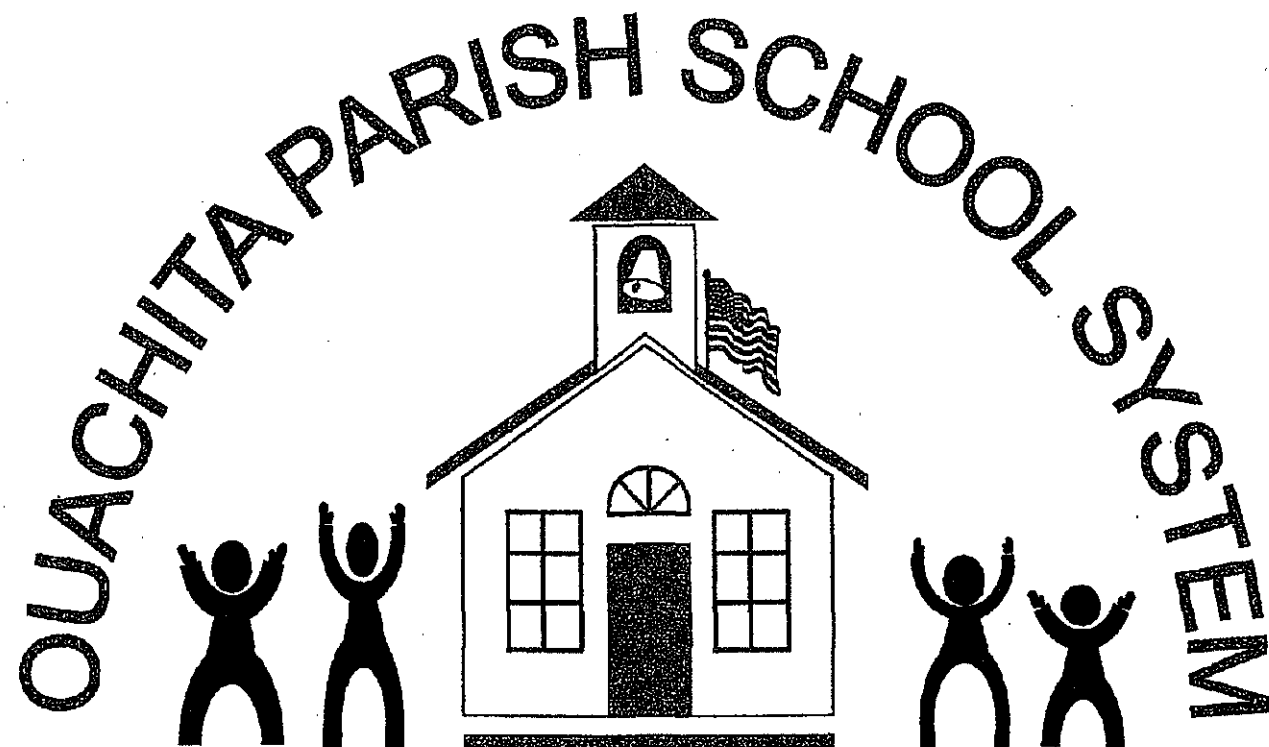
**Ouachita Parish School Board
Monroe, Louisiana**

**Fiduciary Fund - Agency Funds
Comparative Statement of Fiduciary Assets and Liabilities**

June 30, 2011 and 2010

	Total	
	2011	2010
Assets:		
Cash and cash equivalents	<u>\$ 3,778,365</u>	<u>\$3,502,299</u>
Liabilities:		
Amounts held for others	<u>\$3,778,365</u>	<u>\$3,502,299</u>

See accompanying notes to the basic financial statements.



COMMITTED
*to Academic Excellence
for ALL Students!*

*Our Mission:
Through collaboration
among all stakeholders, the
Ouachita Parish School System
will ensure that all students attain
the knowledge and skills needed
to be productive citizens.*

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2011**

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**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)
Fiscal Year Ended June 30, 2011**

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**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)
Fiscal Year Ended June 30, 2011**

1. Summary of Significant Accounting Policies

The accompanying financial statements of the Ouachita Parish School Board (School Board) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

A. Financial Reporting Entity

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Because the School Board has a separately elected governing body and is legally separate and fiscally independent, the School Board is a separate governmental reporting entity. For financial reporting purposes, the School Board's financial statements include all funds, schools, agencies and committees for which the School Board is financially accountable. The School Board is not aware of any other entities that should be included within the financial statements.

Certain units of local government, such as other independently elected officials, the parish police jury and municipalities, are excluded from the accompanying financial statements. These units have their own elected governing authorities and are not financially accountable to the School Board.

B. Fund Accounting

The financial transactions of the School Board are recorded in individual funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that include its assets, liabilities, fund equity, revenues and expenditures, or expenses as appropriate. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

**Ouachita Parish School Board
Monroe, Louisiana**

Fiscal Year Ended June 30, 2011

1. Summary of Significant Accounting Policies (continued)

The School Board uses the following fund categories and fund types.

Governmental Funds: Governmental funds account for the School Board's general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of capital assets, and the servicing of general long-term debt. Governmental funds are divided into major and nonmajor funds. Major funds are funds that meet certain dollar tests of their assets, liabilities, revenues, and expenditures/expenses. Major funds are larger, more significant funds. Nonmajor funds are the Governmental Funds that do not meet the dollar tests for major funds. The major and nonmajor funds are described below:

Major Funds:

General Fund - The General Fund is the general operating fund of the School Board. It accounts for all financial resources except those required to be accounted for in another fund and is always a major fund. The sources of major operating revenue in the General Fund is from state equalization funding distributed through the Minimum Foundation Program and a 24.5 mill ad valorem tax that is renewable every 10 years. This tax was renewed by voters in April 2011 for another 10-year period.

Special Revenue Funds - Special Revenue Funds account for and report the proceeds of specific revenue sources (other than special assessments) that are legally restricted or committed to expenditures for specified purposes other than debt service or capital projects. The term "proceeds of specific revenue sources" establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund. The District #1 Sales Tax Special Revenue Fund is the only major Special Revenue Fund. It collects, records and disburses funds related to a 0.5% 10-year renewable tax approved by voters for capital improvements and facility and equipment support (38%), classroom instruction (36%), mandated costs (14%), and salary restoration (12%). This tax was renewed by voters in April 2011 for another 10-year period.

Debt Service Funds - Debt Service Funds account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest. There was no major Debt Service Fund in the 2010-11 fiscal year. For a more detailed description of the Debt Service Funds, see the Required Supplemental Information – Part B, Debt Service Funds.

Capital Projects Funds – Capital Projects Funds account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays,

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)
Fiscal Year Ended June 30, 2011**

1. Summary of Significant Accounting Policies (continued)

including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments. The West Ouachita 2009 Construction Capital Projects Fund is the only major Capital Projects Fund. The projects in this fund are funded by \$10 million in bonds issued under the federal government's Qualified School Construction Bonds (QSCB) program in the 2009-10 fiscal year. These projects must be completed and all bond proceeds expended within three years from the date the bonds were issued.

Nonmajor Funds:

The School Board has 10 nonmajor Special Revenue Funds, 2 nonmajor Debt Service Funds, and 3 nonmajor Capital Projects Funds. For a description of these funds see the Nonmajor Special Revenue Funds, Debt Service Funds, and Capital Projects Funds tab sections of the report.

Proprietary Funds:

Internal Service Fund - The Internal Service Fund accounts for the financing of services provided by one fund to other funds of the School Board. The Self-Insurance Internal Service Fund, which purchases an insurance policy and accounts for third-party administrative costs and claims for liabilities of the school district, is reported as an internal service fund.

Fiduciary Funds:

Agency Funds - The Agency Funds account for assets held by the School Board in a trustee capacity or as an agent for individuals, private or school organizations, other governmental units and/or other funds. The School Activity funds, Migrant funds of other parishes, and State Equalization funding of other agencies are reported as Agency Funds.

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)
Fiscal Year Ended June 30, 2011**

C. Basis of Accounting/Measurement Focus

Government-wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities display information about the reporting government as a whole. Fiduciary funds are not included in the GWFS. Fiduciary funds are reported only in the Statement of Fiduciary Assets and Liabilities at the fund financial statement level.

The Statement of Net Assets and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting.

Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Non-exchange transactions are recognized when the School Board has an enforceable legal claim to the revenues, expenses, gains, losses, assets and liabilities.

Program revenues

Program revenues included in the Statement of Activities derive directly from the program itself or from parties outside the School Board's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the School Board's general revenues.

General Revenues

General revenues included in the Statement of Activities derive directly from local property and sales taxes and from unrestricted state and local grants. General revenues finance the remaining balance of a function not covered by program revenues.

Allocation of indirect expenses

The School Board reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)
Fiscal Year Ended June 30, 2011**

1. Summary of Significant Accounting Policies (continued)

Fund Financial Statements (FFS)

Governmental Funds

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds reported in the fund financial statements are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The Proprietary Fund is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the balance sheet. The Proprietary Fund is accounted for using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Operating revenues are charges to the General Fund for insurance related costs such as claims liability and insurance premiums. Non-operating revenues are revenues that are not derived from charges to the General Fund such as earnings on investments. Proprietary Fund Type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in total net assets. Operating expenses are general liability and worker's compensation claims and worker's compensation insurance premiums.

Governmental funds reported in the fund financial statements are accounted for on the modified accrual basis of accounting. Governmental fund revenues are recognized in the accounting period in which they become susceptible to accrual—that is, when they become both measurable and available to pay current period liabilities. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The School Board considers all revenues available if they are collected within 60 days after the fiscal year end. Such revenue items are ad valorem, sales and use taxes and federal and state entitlements. Ad valorem taxes are considered measurable and are recognized in the calendar year of the tax levy. Sales and use taxes are considered measurable and available when collected by the vendors. Revenue from state and federal grants are recorded when the reimbursable expenditures have been incurred.

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)
Fiscal Year Ended June 30, 2011**

1. Summary of Significant Accounting Policies (continued)

Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the Debt Service Funds for payments to be made early in the following year. Other post-employment benefits (OPEB) are recorded in the Government-wide Financial Statements as expenditures and as a liability when incurred.

D. Cash and Cash Equivalents

Cash and cash equivalents include amounts in interest-bearing demand deposits, bank certificates of deposit, as well as short-term investments with a maturity date within three months of the date acquired. Bank certificates of deposit are stated at cost, which approximates fair value. Short-term investments are stated at cost, which approximates fair value.

Cash balances of all of the School Board's funds, except for the Payroll Account, are pooled into one master bank account with the School Board's fiscal agent bank. The Payroll Account is maintained in a separate account.

Interest earned on balances maintained in the pooled bank account was distributed to the individual funds based on the cash balance maintained by the unrestricted participating fund during the year.

The School Board maintains separate "book" cash accounts for each fund that is pooled within the master bank account. Negative book cash balances appear in the financial statements as a liability, "Due to Other Funds." The balance of these amounts will be paid primarily through collections of grants receivable reimbursements from the Federal and State Departments of Education and from investments as they mature.

E. Investments

Louisiana Revised Statutes (R.S. 33:2955) and the Board's investment policy govern the investment policies of the School Board. The Ouachita Parish School Board is authorized to invest in U. S. Treasury obligations, U.S. Government instrumentalities, A-1, P-1 commercial paper, and other allowable short-term obligations including repurchase agreements. These are classified as investments if they have a maturity date of 90 days or more from the date of acquisition. Investments are carried at fair value.

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)
Fiscal Year Ended June 30, 2011**

1. Summary of Significant Accounting Policies (continued)

Cash management and investment activities shall be conducted in a manner consistent with the "prudent investor" rule which states, "Investments shall be made with judgment and care under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation but for investment considering the probable safety of their capital as well as the probable income to be derived."

F. Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for services rendered. These receivables and payables are classified as *due from* other funds or *due to* other funds on the fund financial statements balance sheet.

G. Eliminations and Reclassifications

In the process of aggregating data for the Statement of Net Assets and the Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column. Interfund services provided and used by the various Governmental Funds have not been eliminated in the process of aggregating data.

H. Inventory and Prepaid Items

Inventory is accounted for using the consumption method, where expenditures are recognized as expenses when consumed on the Government-wide Financial Statements and a portion are recognized as expenditures when consumed and a portion are recognized as expenditures when purchased on the Fund Financial Statements. Inventory is stated at cost using the first-in, first-out (FIFO) basis. Inventory consists primarily of commodities and purchased food held for consumption. Purchased food inventory in the governmental funds is equally offset by a fund balance reserve which shows this inventory does not constitute "available spendable resources" even though it is a component of total assets. Commodities inventory of \$257,643 is reported as unearned revenues, leaving a nonspendable fund balance of \$114,280 for purchased food.

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)
Fiscal Year Ended June 30, 2011**

1. Summary of Significant Accounting Policies (continued)

Certain payments to vendors for travel expenditures reflect costs applicable to future accounting periods are recorded as prepaid items in both the government-wide and fund financial statements. Prepaid items are also accounted for using the consumption method where expenditures are recognized as the prepaid item expires with the passage of time.

I. Bond Issuance Costs

Costs (bond rating fees, attorney fees, printing, etc.) associated with issuing bonds are capitalized and amortized over the life of the bond issue in the Government-wide Financial Statements. The bond issuance costs are reported as expenditures in the Fund Financial Statements. The following is a summary of governmental activities bond issuance cost transactions for the year ended June 30, 2011:

	Bond Issuance Costs	Accumulated Amortization
Balance June 30, 2010	\$ 1,861,013	\$ 1,144,338
Additions	<u>155,512</u>	<u>68,310</u>
Balance June 30, 2011	<u>\$ 2,016,525</u>	<u>\$ 1,212,648</u>

J. Capital Assets

Capital assets, which include land, buildings and improvements, furniture and equipment, intangibles, and construction-in-progress are reported as governmental funds in the Government-wide Financial Statements. The School Board considers assets, other than intangibles, with an initial individual cost of more than \$5,000 and an estimated useful life of 2 years or more as a capital asset. Intangibles, such as software, with an initial individual cost of \$25,000 or more and an estimated useful life of 2 years or more are considered a capital asset.

Capital assets are recorded at historical cost and depreciated over their estimated useful lives. Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's best estimate of how long the asset is expected to meet service demands. Capital assets have not been assigned a salvage value because management feels that the salvage value is immaterial.

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)
Fiscal Year Ended June 30, 2011**

1. Summary of Significant Accounting Policies (continued)

Straight-line depreciation is used based on the following estimated useful lives:

Buildings and improvements	40 years
Land improvements	20 years
Furniture and equipment	5-15 years
Intangibles	10-20 years

Public domain (infrastructure) capital assets (e.g. parking lots, sidewalks, and other assets that are immovable and of value only to the government) were capitalized as part of the construction cost of the buildings. Subsequent infrastructure improvements are capitalized as land improvements.

K. Unearned Revenues

The School Board reports unearned revenues on its Statement of Net Assets and on the Fund Financial Statements' balance sheet. Unearned revenues arise when the School Board receives resources before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the School Board has a legal claim to the resources, the liability for unearned revenue is removed from the Governmental Fund's Fund Financial Statements' balance sheet and the revenue is recognized.

L. Interfund Activity

Interfund activity is reported as loans, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers made between governmental and propriety funds are eliminated as part of the reconciliation to the Government-wide Financial Statements.

M. Compensated Absences

All 12-month employees earn from 10 to 15 days of annual leave each year depending on length of service with the School Board. Annual leave is credited at the beginning of each fiscal year and a maximum of five days can be accumulated and carried forward into a new fiscal year.

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)
Fiscal Year Ended June 30, 2011**

1. Summary of Significant Accounting Policies (continued)

Upon termination of employment, unused annual leave up to 20 days is paid to employees at the employees' current rates of pay.

All school employees earn ten days of sick leave each year. Sick leave may be accumulated without limitations. Upon retirement, unused accumulated sick leave of up to 25 days is paid to employees at the employees' current rates of pay. The accrual recorded for earned sick leave is based on a 25-day maximum per employee. Sick leave is not payable upon discharge or termination. Upon retirement, accumulated sick leave is used in the retirement benefit computation as earned years of service.

Sick and vacation leave are reported in the Statement of Net Assets as a long-term liability and expensed in the Statement of Activities. Sick and vacation leave accrued in the Statement of Net Assets as of the end of the fiscal year are valued using employees' current rates of pay. Neither the School Board nor the employees are required to contribute to the retirement system for sick and annual leave payments. Accrued sick and vacation leave will be paid from future years' resources. No allowance is made for the immaterial amounts of sick leave forfeited when employees resign or retire. A current liability for sick and annual leave is reported in the Governmental Funds only if it is due and payable as of year-end as the result of an employee's retirement during the fiscal year.

N. Long-Term Liabilities

Bond premiums and discounts, as well as issuance costs, are recognized in the fund financial statements in the period the bonds are issued. Bond proceeds are reported as an Other Financing Source. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

In the Government-wide Financial Statements bond premiums and issuance costs are reported on the balance sheet net of amortization and amortized over the life of the bonds. Bond discounts have been reported in the Government-wide Financial Statements as a reduction of long-term liabilities, net of accumulated amortization. Bond proceeds have been reported in the Government-wide Financial Statements as a long-term liability.

The current cost of other post-employment benefits is recognized in the fund financial statements in the year earned. Other post-employment benefits earned prior to the implementation of GASB 45 in fiscal year 2008 are to be recognized at a rate of 3% per year for the years 2008 – 2037.

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)
Fiscal Year Ended June 30, 2011**

1. Summary of Significant Accounting Policies (continued)

O. Restricted Net Assets

For the Government-wide Statement of Net Assets, net assets are reported as restricted when constraints placed on net asset use are either:

Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments, or

Imposed by law through constitutional provisions or enabling legislation.

In the Statement of Net Assets the following items are considered restricted:

Debt service is considered restricted because an ad valorem tax has been levied specifically to meet the principal and interest payments of various bond issues.

Salaries and related benefits are considered restricted as it represents undistributed salaries and related benefits from sales taxes dedicated by sales tax propositions exclusively for this purpose.

Protested taxes are considered restricted because the taxpayer has filed suit protesting the ad valorem tax assessment and the amount of the tax paid. Distribution of the tax is pending settlement of the suit.

Federal and local grant projects are considered restricted because the use of grant funds has been designated by the benefactor or grantor.

P. Nonspendable, Restricted, Committed, Assigned, and Unassigned Fund Financial Statements

Nonspendable fund balance represents resources that cannot be physically used to settle obligations of the school system, such as food inventory.

Restricted fund balances represent resources restricted by tax ordinances or by local, state or Federal grant regulations for future use and are, therefore, not available for future appropriation or expenditure.

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)
Fiscal Year Ended June 30, 2011**

1. Summary of Significant Accounting Policies (continued)

Committed fund balances indicate the School Board's tentative plans for the use of financial resources in a future period. Fund balance commitments are made by Board approved resolutions.

Assigned fund balances are those determined by the Superintendent and Business Manager, under authority given under a resolution of the Board, as needed for the payment of future commitments.

The Board has not established a formal policy regarding order of spending fund balances that are restricted, committed, or assigned. The School Board's informal policy for the spending prioritization of fund balances is that *restricted* would receive top priority, followed by *committed*. *Assigned* would receive the least priority and would be authorized to be spent only if adequate funds were available. If expenditures incurred exceed the amounts that have been committed or assigned to a specific purpose, amounts unassigned would be reduced to eliminate the deficit. See Note 14 for more detail of fund balance nonspendable, restrictions, designations, and assignments.

The School Board has established through board resolution unassigned fund balance requirements. The General Fund unassigned balance should be maintained between 10 and 15 percent of General Fund expenditures. If the unassigned fund balance decreases below the 10 percent minimum balance, expenditures should be made only for non-reoccurring items.

Q. Sales and Use Taxes

The voters of Ouachita Parish have authorized the collection of four sales and use taxes for the benefit of the School Board. The first of these is a ½-cent parishwide sales and use tax levied and collected jointly by the City of Monroe School Board and the Ouachita Parish School Board. The net proceeds of the tax are to be allocated and prorated between the two school boards annually on the basis of average daily membership for the preceding school year. The tax revenue is to be used exclusively to supplement other revenues available to the School Board for the following purposes:

- Eighty-eight percent of the revenues received by the School Board are to be used for the payment of the salaries of teachers, as defined by the Louisiana State Department of Education.

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)
Fiscal Year Ended June 30, 2011**

1. Summary of Significant Accounting Policies (continued)

- Twelve percent of the revenues received by the School Board are to be used for the payment of salaries to designated personnel, other than teachers.

The second of these taxes is a one-cent parishwide sales and use tax levied and collected by the School Board only, and is to be used exclusively to supplement other revenue available to the School Board for the purpose of providing teacher and school employees' salaries and benefits.

The third of these taxes is another ½-cent parishwide sales and use tax levied and collected by the School Board only. The tax revenue is to be used exclusively to supplement other revenues available to the School Board for the following purposes outlined in the proposition:

- Thirty-eight percent of the revenues received by the School Board are to be used for capital improvements and facility and equipment support.
- Thirty-six percent of the revenues received by the School Board are to be used for classroom instruction.
- Fourteen percent of the revenues received by the School Board are to be used for the payment of mandated costs.
- Twelve percent of the revenues received by the School Board are to be used to restore salary reductions.

The fourth of these is an additional one-cent sales and use tax levied and collected by the West Ouachita Parish School Bond District for a period of 27 years through the year 2025. The tax proceeds are to be used for constructing, acquiring, improving, equipping, furnishing, maintaining, and/or operating schools and school related facilities in the district, with the proceeds of the tax being subject to funding into bonds for capital improvements.

R. Self-Insurance

The School Board is exposed to certain risks associated with damage to its property resulting from perils or theft, employee liabilities for benefits, earnings or work injury, general liabilities to third parties, and other risks related to professional errors and omissions. The School Board is covered through insurance policies for these risks. The School Board is also at risk from

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)
Fiscal Year Ended June 30, 2011**

1. Summary of Significant Accounting Policies (continued)

injuries to students, employees, and citizens incurred on our facilities through negligence and to employees being injured on the job. The School Board is partially self-insured for workers' compensation and general liability insurance coverage, and maintains policies with large deductibles for property and fleet vehicle insurance. The School Board has an excess insurance policy which covers individual workers' compensation claims and occurrences when a claim exceeds \$550,000. The School Board self-insures, or is responsible for the costs, of a claim up to this retention amount.

Revenues that finance the operations of the Self-Insurance Internal Service Fund are considered operating revenues and include charges for services and insurance proceeds from losses. Revenues that are not derived directly from the operations of the self-insurance program are considered non-operating revenues and include earnings on investments. The School Board has increased the net assets in the Internal Service Fund over the years with transfers from the General Fund in years surpluses were available to cover future catastrophic losses.

Expenses related to these insurance programs are recognized in the self-insurance fund as claims are incurred. A liability for unpaid and incurred-but-not-reported claims is based on the School Board's known claims and its previous experience. A third-party administrator, who processes and investigates claims, pays valid claims and estimates the liabilities for unpaid claims, manages the workers' compensation and general liability insurance program for the School Board. School Board personnel manage all other insurance programs.

During fiscal year 2011, total expenses for claims and insurance premiums related to the self-insurance plans were \$1,143,735. The School Board's activity in claims liability for fiscal years 2011 and 2010 was:

	<u>2011</u>	<u>2010</u>
Claims liability at beginning of the year	\$959,811	\$826,424
Incurred claims and provision for incurred but not reported	651,674	785,461
Claims payments	<u>(686,312)</u>	<u>(652,074)</u>
Claims liability at the end of the year	<u>\$925,173</u>	<u>\$959,811</u>
Claims liability due within one year	<u>\$480,961</u>	<u>\$550,000</u>

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)
Fiscal Year Ended June 30, 2011**

1. Summary of Significant Accounting Policies (continued)

In 2010-11 the reserve for incurred claims and incurred claims but not reported remained constant. In the previous year estimated reserves increased due to 2 ongoing workers compensation claims. One claim for an injury that occurred in 2005 was settled during the 2010-11 fiscal year for cumulative costs that exceeded the School Board's \$550,000 self-insured retention. The second claim for an injury that occurred in 2008 was not settled as of the date of this report, but is anticipated that cumulative costs will be settled at or above the \$550,000 self-insured retention within the next fiscal year.

S. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

2. Expenditures - Budget and Actual

The General Fund and the following individual nonmajor Special Revenue and Debt Service Funds had actual expenditures exceed total budgeted expenditures for the year ended June 30, 2011.

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Final Budget</u>
Major Fund:			
General Fund	\$133,049,272	\$133,060,742	(\$11,470)
Nonmajor Special Revenue Funds:			
Supplemental Sales Tax-1%	\$12,452,253	\$12,457,084	(\$4,831)
Supplemental Sales Tax-.5%	\$9,187,341	\$9,204,268	(\$16,927)
School Food Service	\$9,207,707	\$9,466,563	(\$258,856)
Title I Programs	\$7,426,860	\$7,709,105	(\$282,245)
Special Education IDEA-B	\$7,146,505	\$7,443,098	(\$296,593)

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)
Fiscal Year Ended June 30, 2011**

2. Expenditures – Budget and Actual (continued)

It should be noted that even though the above funds experienced an overrun in budgeted expenditures, none of the overruns represent a legal violation in excess of 5% of total expenditures. General Fund expenditures slightly exceeded budget due to underestimating overall utility costs. The Supplemental Sales Tax – 1% and Supplemental Sales Tax 0.5% funds overruns were due to underestimating benefits and accrued salaries at year end. The excess of expenditures over budget in the School Food Service Fund was the result of underestimating commodities as they were used throughout the year. Then there were purchases made late in the year in both Title I and Special Education IDEA B Funds in preparation of summer instructional programs and to update classroom technology.

3. Cash and Cash Equivalents

Custodial credit risk-deposits. At year-end, as reported on the Statement of Net Assets and the Agency Funds' Comparative Statement of Assets and Liabilities, the book balances of the School Board's deposits (including bank certificates of deposit) were \$36,686,507 and \$3,778,365, respectively. The School Board had bank balances totaling \$43,368,884 at June 30, 2011 of which \$1,863,152 were covered by federal depository insurance and \$41,505,732 were covered by collateral held by the trust department of agents of the pledging financial institutions in the School Board's name. Securities that may be pledged as collateral are obligations of the United States Government and its agencies, and obligations of the State of Louisiana and its municipalities and school districts. Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the district that the fiscal agent has failed to pay deposited funds upon demand.

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)
Fiscal Year Ended June 30, 2011**

3. Cash and Cash Equivalents (continued)

Individual funds with significant book cash deficit balances at June 30, 2011 were as follows:

<u>Fund</u>	<u>Cash Deficit</u>
Major Funds:	
General Fund	\$ 415,511
West Ouachita 2009 Construction	4,806,809
Nonmajor Funds:	
Special Revenue Funds:	
Title I Programs	2,173,878
Special Education IDEA-B	2,372,539
Other Federal Programs	825,980
Education Jobs – Stimulus	564,353
Capital Projects Funds:	
West Ouachita 2008 Construction	577,211
East Ouachita 2009 Construction	<u>2,020,175</u>
Total	<u>\$13,756,456</u>

4. Investments

The School Board formal investment policy allows funds which are available for investment and above immediate cash requirements to be invested in accordance with the following: a.) first priority shall be to secure safety of principle, b.) the second priority shall be to ensure liquidity of funds to meet the obligations of the School Board, and c.) the third priority shall be the yield of investments.

As of June 30, 2011 the School Board's investments of \$40,034,486 consisted of 100% U. S. Government Instrumentalities and were carried at fair value. Fair value was determined by obtaining year-end market prices.

Credit risk. The School Board's investment policy's objective is to mitigate credit risk. Credit risk is extremely low because the Louisiana State statues limit the investments to U. S. Government instrumentalities, Investment grade (A-1/P-1) commercial paper of domestic United States corporations, and other allowable short-term obligations including repurchase agreements. All of the School Board's investments are to be invested in Government Securities which have credit ratings of AAA according to Standard & Poor's and are implicitly guaranteed by the U. S.

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)
Fiscal Year Ended June 30, 2011**

4. Investments (continued)

government. No broker/dealer or bank shall hold over twenty five percent of the School Board's total portfolio to decrease credit risk.

Interest rate risk. In accordance with its investment policy, the School Board manages its exposure to declines in fair values. Interest rate risk is the risk that the market value of the securities in the portfolio will fall due to the changes in general interest rates. Interest rate risk may be mitigated by:

- Structuring the investment portfolio so that securities mature to meet cash requirements for anticipated demands, thereby avoiding the need to sell securities on the open market prior to maturity, and
- By investing operating funds primarily in shorter-term securities of one year or less. Longer terms may be used for bond issue funds held for construction purposes.

Of the amount invested in U. S. Government instrumentalities, \$4,580,248 matures in less than twelve months. The remaining \$35,454,237 of the total portfolio's maturity dates are thirty-six months or less. A laddering strategy which spreads maturity dates is used to meet liquidity requirements and to decrease interest rate risk.

5. Ad Valorem Taxes

All taxable property in Louisiana is required by law to be assessed annually at a percentage of its fair market value by the parish assessor, except for public utility property, which is assessed by the Louisiana Tax Commission. The 1974 Louisiana Constitution provides that land and residential property are to be assessed at 10% of fair market value; however, agricultural, horticultural, marsh lands, timber lands, and certain historic buildings are to be assessed at 15% of fair market value. Fair market values are determined by the elected assessor of the parish and are subject to review and final certification by the Louisiana Tax Commission. The assessor is required to reappraise all property every four years. Based on the reappraised value, the assessor will "roll forward" or "roll back" the tax millage to equal the prior year taxable amount. If the assessor "rolls back" the tax millage, the School Board has the option to "roll forward" the millage rate back to the prior year's rate. The School Board opted to "roll forward" the 2008-09 millage rate back to the 2007-08 rate. The next reassessment will be held in 2012.

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)
Fiscal Year Ended June 30, 2011**

5. Ad Valorem Taxes (continued)

The School Board is permitted by constitutional and statutory authority of the State to levy taxes up to 29.33 mills per \$1,000 of assessed valuation for operations other than the payment of principal and interest on long-term debt. This is the amount which was levied for fiscal 2011. The School Board was authorized by the citizens of the East Ouachita Bond District to levy taxes sufficient enough to pay the annual principal and interest on the general obligation bonds. The School Board levied 30.0 mills on the 2010 tax roll for the East Ouachita Bond District. The Sheriff of Ouachita Parish, as provided by State law, is the official tax collector of general property taxes levied by the School Board.

The 2010 property tax calendar was as follows:

Millage rates adopted	September 8, 2010
Levy date	November 10, 2010
Tax bills mailed	November 20, 2010
Due date	December 31, 2010
Lien date	January 1, 2011

State law requires the Sheriff to collect property taxes in the calendar year in which the assessment is made. Property taxes become delinquent January 1 of the following year. If taxes are not paid by the due date, taxes bear interest at the rate of 1.25% per month until the taxes are paid. After notice is given to the delinquent taxpayers, the Sheriff is required by the Constitution of the State of Louisiana to sell the least quantity of property necessary to settle the taxes and interest owed.

All property taxes are recorded in the General Fund and in the East Ouachita Bond Debt Service Fund on the basis explained in Note 1.C. Revenues in such funds are recognized in the accounting period in which they become measurable and available. Property taxes are considered measurable in the calendar year of the tax levy. Delinquent taxes considered to be uncollectible are not recorded as revenues. Property taxes receivable are considered available because they are substantially collected within 60 days subsequent to year-end.

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)
Fiscal Year Ended June 30, 2011**

6. Receivables

The receivables of \$16,137,925 at June 30, 2011, as reported on the Governmental Funds were as follows:

	<u>General Fund</u>	<u>Major Fund- Special Revenue- District #1 Sales Tax</u>	<u>Nonmajor Fund- Other Governmental</u>	<u>Total</u>
Taxes:				
Ad valorem	\$55,192	\$ -	\$ 17,482	\$ 72,674
Sales and use	-	1,057,610	5,413,778	6,471,388
Federal grants	55,727	-	8,942,587	8,998,314
Other	<u>141,059</u>	<u>-</u>	<u>454,490</u>	<u>595,549</u>
Total	<u>\$251,978</u>	<u>\$ 1,057,610</u>	<u>\$14,828,337</u>	<u>\$16,137,925</u>

All receivables are expected to be collected within the next fiscal year.

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)
Fiscal Year Ended June 30, 2011**

7. Capital Assets

The changes in capital assets were as follows:

	Balance June 30, 2010	Additions	Deletions	Balance June 30, 2011
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 6,067,839	\$ 80,821	\$ -	\$6,148,660
Construction-in-progress	<u>18,471,849</u>	<u>10,363,877</u>	<u>(9,786,964)</u>	<u>19,048,762</u>
Total capital assets, not being depreciated:	<u>24,539,688</u>	<u>10,444,698</u>	<u>(9,786,964)</u>	<u>25,197,422</u>
Capital assets, being depreciated:				
Land improvements	-	2,302,020	-	2,302,020
Buildings and improvements	272,662,502	17,533,504	(1,705)	290,194,301
Furniture and equipment	<u>38,388,996</u>	<u>1,930,166</u>	<u>(2,363,786)</u>	<u>37,955,376</u>
Total capital assets, being depreciated	<u>311,051,498</u>	<u>21,765,690</u>	<u>(2,365,491)</u>	<u>330,451,697</u>
Less accumulated depreciation:				
Land improvements	-	(33,923)	-	(33,923)
Buildings and improvements	(91,493,762)	(6,251,718)	719	(97,744,761)
Furniture and equipment	<u>(28,243,215)</u>	<u>(2,375,543)</u>	<u>2,328,412</u>	<u>(28,290,346)</u>
Total accumulated depreciation	<u>(119,736,977)</u>	<u>(8,661,184)</u>	<u>2,329,131</u>	<u>(126,069,030)</u>
Total capital assets, being depreciated, net	<u>191,314,521</u>	<u>13,104,506</u>	<u>(36,360)</u>	<u>204,382,667</u>
Capital assets, being amortized:				
Intangibles	1,857,895	364,279	-	2,222,174
Less accumulated amortization:				
Intangibles	<u>(626,508)</u>	<u>(221,571)</u>	<u>-</u>	<u>(848,079)</u>
Total capital assets, being amortized, net	<u>1,231,387</u>	<u>142,708</u>	<u>-</u>	<u>1,374,095</u>
Total governmental activities, capital assets, net	<u>\$217,085,596</u>	<u>\$23,691,912</u>	<u>(\$9,823,324)</u>	<u>\$230,954,184</u>

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)
Fiscal Year Ended June 30, 2011**

7. Capital Assets (continued)

Depreciation and amortization expense was charged to governmental activities as follows:

	<u>Depreciation Expense</u>	<u>Amortization Expense</u>
Instructional services:		
Regular programs	\$6,744,197	\$118,442
Special education programs	69,785	23,762
Vocational programs	31,895	3,256
Other instructional programs	114,824	2,044
Special programs	55,347	14,490
Adult/continuing education	124	-
Support services:		
Pupil support services	21,596	-
Instructional staff support services	103,803	12,859
General administration	10,180	-
School administration	489	-
Business services	35,819	16,969
Plant services	534,396	356
Student transportation services	612,029	-
Central services	246,581	28,495
Non-instructional services:		
Food service operations	<u>80,119</u>	<u>898</u>
Total depreciation and amortization expense	<u>\$8,661,184</u>	<u>\$221,571</u>

During the 2010-11 fiscal year, the School Board entered into new contracts totaling \$5,409,780, and in the 12 previous years the School Board entered into contracts totaling \$196,838,690 to construct 8 schools, 2 vocational centers, and 9 multipurpose buildings and to make repairs and renovations to 28 schools and district facilities. These construction contracts are estimated to be completed within the next year. Work already started but not completed during the 2011 fiscal year on contracts totaling \$19,048,762, was capitalized as construction-in-progress.

At June 30, 2011, the School Board had \$783,863 in retainages related to construction in progress. The retainages will be paid at the completion of the projects in the 2011-12 fiscal year.

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)
Fiscal Year Ended June 30, 2011**

7. Capital Assets (continued)

At June 30, 2011, these contracts have \$3,551,487 remaining in work to be completed within the next year. The contracts will be paid by the Capital Project Funds and the West Ouachita Sales Tax Special Revenue Fund.

8. Retirement Systems

In 1996, the School Board adopted Governmental Accounting Standards Board Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*. The School Board had no pension liability or asset at the effective date of the transition.

Substantially all employees of the School Board are members of two statewide retirement systems. In general, professional employees (such as teachers and administrative support staff) and lunchroom workers are members of the Teachers' Retirement System of Louisiana (TRSL). Other employees working in custodial services or student transportation are members of the Louisiana School Employees' Retirement System (LSERS). These systems are state established cost sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

A. Teachers' Retirement System of Louisiana (TRSL)

Plan Description. The TRSL consists of four membership plans: Regular Plan, Plan A, Plan B, and Optional Retirement Plan (ORP). The School Board participates in three of the membership plans — the Regular Plan, Plan A, and ORP. The TRSL provides retirement benefits as well as disability and survivor benefits. Five years of service credit are required to become vested for retirement, disability and survivor benefits in all plans. Benefits are established and amended by State statute.

TRSL issues a financial report that includes financial statements and required supplementary information. This report is available to the public and can be obtained by visiting the TRSL website at www.trsl.org, by submitting a written request to the Teachers' Retirement System of Louisiana, Post Office Box 94123, Baton Rouge, Louisiana 70804-9123, or by calling TRSL directly at (225) 925-6446.

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)
Fiscal Year Ended June 30, 2011**

8. Retirement Systems (continued)

Funding Policy. Plan members are required to contribute the following percentage of their covered salary to the plan through payroll deduction:

Regular Plan members	8.0%
Plan A members (lunchroom workers)	9.1%
Optional Retirement Plan members	7.9%

The School Board is also required to contribute to the plan an actuarially determined percentage of plan members covered salary. The rates and contributions paid by the School Board for the last three fiscal years for all three retirement plans were:

2008-09	15.5%	\$15,106,912
2009-10	15.5%	\$15,132,590
2010-11	20.2%	\$20,186,512

Member contributions and employer contributions for the TRS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. The School Board's employer contribution to TRSL, as provided by state law, is funded by the State of Louisiana through annual appropriations from the State, by state mandated deductions from local ad valorem tax collections, and by remittances from the School Board.

B. Louisiana School Employees' Retirement System (LSERS)

Plan Description. The LSERS provides retirement benefits as well as disability and survivor benefits. The vesting periods for members are as follows:

Regular retirement

Members enrolled before July 1, 2010	10 Years
Members enrolled on or after July 1, 2010	5 Years

Disability retirement

Members enrolled before July 1, 2006	5 Years
Members enrolled on or after July 1, 2006	10 Years

Benefits are established and amended by state statute. The LSERS issues a financial report that includes financial statements and required supplementary information for the LSERS. This report

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)
Fiscal Year Ended June 30, 2011**

8. Retirement Systems (continued)

is available to the public and may be obtained by visiting their website at www.lservers.state.la.us, by writing to the Louisiana School Employees' Retirement System, Post Office Box 44516, Baton Rouge, Louisiana 70804, or by calling (225) 925-6484.

Funding Policy. Plan members are required to contribute the following percentage of their covered salary to the plan through payroll deduction effective July 1, 2010:

Plan members enrolled prior to July 1, 2010	7.5%
New plan members enrolled on or after July 1, 2010	8.0%

The School Board is also required to contribute to the plan an actuarially determined percentage of plan members covered salary. The rates and contributions paid by the School Board for the last three fiscal years were:

2008-09	17.8%	\$2,093,669
2009-10	17.6%	\$1,987,619
2010-11	24.3%	\$2,744,814

Member contributions and employer contributions for the LSERS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee annually. The School Board's employer contribution for the LSERS, as provided by state law, is funded by the State of Louisiana through annual appropriations and by remittances from the School Board.

9. Other Post Employment Benefits

Plan Description. The Ouachita Parish School Board compensates its employees in a variety of ways in exchange for their services. In addition to a salary many employees are provided benefits over their years of service that will not be received until their employment with the School Board ends. The most common type of postemployment benefit is a pension. Other postemployment benefits (OPEB) provided are healthcare and life insurance benefits. As permitted by Louisiana Revised Statute (LSA-R.S.) 17:1223, the School Board provides continuing healthcare and life insurance benefits for certain retired employees through the agent multiple-employer defined benefit OPEB plan administered by the Office of Group Benefits (OGB). Benefit provisions are established or may be amended under the authority of LRS 42:802 by the Commissioner of Administration. All benefits and premium structures are reviewed by the OGB Policy and Planning Board. OGB does not issue a stand alone financial report on the OPEB plan; however, the financial information is included

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)
Fiscal Year Ended June 30, 2011**

9. Other Post-Employment Benefits (continued)

in the State of Louisiana's Comprehensive Annual Financial Report which can be found at their website at www.doa.la.gov/OSRAP/CAFR-2.htm.

Medical benefits are provided through the Louisiana Office of Group Benefits (OGB) and involve several statewide networks and one HMO with a premium structure by region. The plan provisions are contained in the official plan documents of the OGB, available at www.groupbenefits.org - "Quick Links" - "Health Plans". This valuation has been performed using the standard OGB rate structure. In addition, the OGB "Medicare Advantage" plan has been assumed as an alternative to those employees after Medicare eligibility, and we have assumed that 25% of post-Medicare eligibility retirees elect that plan for this alternative calculation. Medical benefits are provided to employees upon actual retirement. Employees have been assumed to be covered by the Teachers' Retirement System of Louisiana (TRSL), whose retirement and deferred retirement eligibility provisions are as follows: 30 years of service at any age, age 55 and 25 years of service, or age 65 and 20 years of service.

Life insurance coverage under the OGB program is available to retirees by election and the blended rate (active and retired) is \$0.96 per \$1,000 of insurance. The employer pays 50% of the "cost" of the retiree life insurance, but based on the blended rates. Since GASB 45 requires the use of "unblended" rates, we have used the 94GAR mortality table described above to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption; zero trend was used for life insurance. Insurance coverage amounts are reduced at age 65 and again at age 70 according to the OGB plan provisions.

Contribution Rates. Employees do not contribute to their post-employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

Fund Policy. Until Fiscal Year Ending June 30, 2007, the Ouachita Parish School Board recognized the cost of providing post-employment medical and life benefits (the Ouachita Parish School Board's portion of the retiree premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. Effective with the Fiscal Year beginning July 1, 2007, the Ouachita Parish School Board implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other than Pensions* (GASB 45). The funding policy is not to fund the ARC except to the extent of the current year's retiree funding costs.

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)
Fiscal Year Ended June 30, 2011**

9. Other Post-Employment Benefits (continued)

In fiscal year ending June 30, 2011, the Ouachita Parish School Board's portion of retiree premiums totaled \$5,764,382. These amounts were applied toward the Net OPEB Benefit Obligation as shown in the table below.

Annual Required Contribution. The Ouachita Parish School Board's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The Annual Required Contribution is the sum of the Normal Cost plus the contribution to amortize the Actuarial Accrued Liability (AAL). A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB 43/45) has been used for the post-employment benefits. The total ARC for the fiscal year beginning July 1, 2010 is \$11,833,140 as set forth below:

Normal Cost	\$ 3,051,593
30-year UAL amortization amount	<u>8,781,547</u>
Annual Required Contribution (ARC)	<u>\$11,833,140</u>

Net Post-Employment Benefit Obligation. The table below shows the change in the School Board's Net Other Post-employment Benefit (OPEB) Obligation during the fiscal years ended 2009, 2010, and 2011:

	Fiscal Year Ended June 30		
	2009	2010	2011
Beginning Net OPEB Obligation July 1	\$20,305,488	\$40,597,237	\$45,782,177
Annual Required Contribution	25,522,412	11,378,019	11,833,140
Interest on prior year net OPEB Obligation	0	1,606,462	1,831,287
Adjustment to ARC	0	(2,322,552)	(2,647,588)
Annual OPEB Cost	25,522,412	10,661,929	11,016,839
Current year contribution	0	0	0
Less: Current year retiree premiums	5,230,663	5,476,989	5,764,382
Increase in Net OPEB Obligation	<u>20,291,749</u>	<u>5,184,940</u>	<u>5,252,457</u>
Ending Net OPEB Obligation June 30	<u>\$40,597,237</u>	<u>\$45,782,177</u>	<u>\$51,034,634</u>

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)
Fiscal Year Ended June 30, 2011**

9. Other Post-Employment Benefits (continued)

The following table shows the Ouachita Parish School Board's annual post-employment benefits cost, percentage of the annual cost contributed, and the net unfunded post-employment benefits obligation for the current fiscal year and with comparative data for the previous two fiscal years:

Post- Employment Benefit	Fiscal Year Ended June 30	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Obligation
Medical and Life	2009	\$25,522,412	20.50%	\$40,597,237
Medical and Life	2010	\$10,661,929	51.37%	\$45,782,177
Medical and Life	2011	\$11,016,839	52.30%	\$51,034,634

Funded Status and Funding Progress. In the fiscal year ending June 30, 2011, the Ouachita Parish School Board made no contributions to its post-employment benefits plan. The plan was not funded at all, has no assets, and hence has a funded ratio of zero. As of June 30, 2011, the end of the fiscal year, the Actuarial Accrued Liability (AAL) was \$157,926,070, which is defined as that portion, as determined under the Projected Unit Credit actuarial cost method, of the actuarial present value of post-employment plan benefits and expenses which is not provided by normal cost. Since the plan was not funded in fiscal year 2010-11, the entire actuarial accrued liability of \$157,926,070 was unfunded.

The funded status of the plan, as determined by an actuary as of July 1st of fiscal years 2009, 2010, and 2011, was as follows:

	Fiscal Year Ended June 30		
	2009	2010	2011
Actuarial Accrued Liability	\$226,218,131	\$151,851,990	\$157,926,070
Actuarial value of plan assets	0	0	0
Unfunded Actuarial Accrued Liability (UAAL)	\$226,218,131	\$151,851,990	\$157,926,070
Funded ratio	0%	0%	0%
Covered payroll	\$117,354,515	\$116,424,720	\$117,265,436
UAAL as a percentage of Covered Payroll	192.76%	130.43%	134.67%

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)
Fiscal Year Ended June 30, 2011**

9. Other Post-Employment Benefits (continued)

The Schedule of Funding Progress and Schedule of Employer Contributions required supplemental information follows the notes. The Schedule of Funding Progress presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liability for benefits over time.

Actuarial Methods and Assumptions. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for post-employment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the Ouachita Parish School Board and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the Ouachita Parish School Board and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the Ouachita Parish School Board and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

Actuarial Cost Method. The ARC is determined using the Projected Unit Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality, and turnover.

Actuarial Value of Plan Assets. Since the OPEB obligation has not as yet been funded, there are not any assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board Actuarial Standards of Practice Number 6 (ASOP 6), as provided in paragraph number 125 of GASB Statement 45 will be used.

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)
Fiscal Year Ended June 30, 2011**

9. Other Post-Employment Benefits (continued)

Turnover Rate. An age-related turnover scale based on actual experience as described by administrative staff has been used. The rates, when applied to the active employee census, produce an annual turnover of approximately 10%. The rates for each age are below:

<u>Age</u>	<u>Percent Turnover</u>
18 - 25	20.0%
26 - 40	12.0%
41 - 54	9.0%
55+	7.0%

Post-employment Benefit Plan Eligibility Requirements. It is assumed that entitlement to benefits will commence five years after earliest eligibility to enter the Deferred Retirement Option Plan (D.R.O.P.) offered by the state retirement systems. This consists of a three-year D.R.O.P. period plus two additional years. Medical benefits are provided to employees upon actual retirement. Employees have been assumed to be covered by the Teachers' Retirement System of Louisiana (TRSL), whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age, age 55 and 25 years of service, or age 65 and 20 years of service. Entitlement to benefits continues through Medicare to death.

Investment Return Assumption (Discount Rate). GASB Statement 45 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits. Since the ARC is not currently being funded and not expected to be funded in the near future, we have performed this valuation using a 4% annual investment return assumption.

Health Care Cost Trend Rate. The expected rate of increase in medical cost is based on projections performed by the Office of the Actuary at the Centers for Medicare & Medicaid Services as published in National Health Care Expenditures Projections: 2003 to 2013, Table 3: National Health Expenditures, Aggregate and per Capita Amounts, Percent Distribution and Average Annual Percent Change by Source of Funds: Selected Calendar Years 1990-2013, released in January, 2004 by the Health Care Financing Administration (www.cms.hhs.gov). "State and Local" rates for 2010 through 2013 from this report were used, with rates beyond 2013 graduated down to an ultimate annual rate of 5.0% for 2016 and later.

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)
Fiscal Year Ended June 30, 2011**

9. Other Post-Employment Benefits (continued)

Mortality Rate. The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rate and 50% of the unloaded female mortality rates, was used. This is a published mortality table which was designed to be used in determining the value of accrued benefits in defined benefit pension plans.

Method of Determining Value of Benefits. The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The "State Share" premiums in the OGB medical rate schedule provided are "unblended" rates for active and retired as required by GASB 45 and have been used for valuation purposes.

10. Deferred Compensation Plan

The School Board offers a deferred compensation plan for employees under the provisions of Internal Revenue Service Code 457 (Deferred Compensation Plan). Part-time, seasonal and substitute employees are required to contribute 7.5% of their compensation to the Deferred Compensation Plan in lieu of social security, as the School Board does not participate in social security under a Section 218 Agreement for these employee classes. Full-time employees may also voluntarily make contributions to the Deferred Compensation Plan. The School Board does not contribute or match employee contributions to the Deferred Compensation Plan. At June 30, 2011, the Plan had assets with an approximate market value of \$2,612,762. The assets in the Plan are held in trust solely for the benefit of participants and their beneficiaries. Therefore, in accordance with GASB Statement No. 32 the Plan is not reported in the School Board's financial statements.

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)
Fiscal Year Ended June 30, 2011**

11. Agency Fund Deposits Due Others (FFS level only)

A summary of changes in agency fund deposits due others follows:

	<u>Balance July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2011</u>
Agency Funds:				
School Activity	3,502,299	\$10,687,737	(\$10,411,670)	\$3,778,366
Migrant Funds of Other Parishes	-	9,077	(9,077)	-
State Equalization Funding of Other Agencies	-	25,189	(25,189)	-
Total	<u>\$3,502,299</u>	<u>\$10,722,003</u>	<u>(\$10,445,936)</u>	<u>\$3,778,366</u>

12. General Long-Term Obligations

The general obligation bonds are obligations of East Ouachita Bond District, with maturities from 2011 to 2034 and interest rates from 2.75% to 5.75%. General obligation bonds' principal and interest requirements are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the respective taxing districts. In accordance with Louisiana Revised Statute 39:562, the School Board is legally restricted from incurring long-term general obligation bonded debt in excess of 35% of the total assessed value of all property in the taxing district. At June 30, 2011, the statutory limit and debt margins are as follows:

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)
Fiscal Year Ended June 30, 2011**

12. General Long-Term Obligations (continued)

	<u>East Ouachita Bond</u>
Assessed Value	\$252,390,772
35% of assessed value	\$ 88,336,770
Less: Outstanding general obligation bonds	<u>(67,650,000)</u>
Debt Margin	<u>\$ 20,686,770</u>

The following shows the changes in general obligation bonds, revenue bonds, and limited tax certificates of indebtedness:

Original Issue	Outstanding July 1, 2010	Borrowings	Payments	Outstanding June 30, 2011	Interest Rate On Unpaid Debt	Total Future Interest
General obligation bonds:						
3.0%-4.5% issued 4/26/05; due 2011-2025	\$12,120,000	\$ -	(\$600,000)	\$11,520,000	3.50%- 4.50%	\$4,038,289
3.625%-4.750% issued 3/14/06; due 2011-2024	20,480,000	-	(1,085,000)	19,395,000	3.625%- 4.75%	6,273,580
3.75%-6.0 % issued 10/1/07; due 2011-2032	9,315,000	-	(240,000)	9,075,000	3.75%- 5.00%	4,719,554
4.0%-6.0% issued 1/1/08; due 2011-2032	9,550,000	-	(245,000)	9,305,000	4.00%- 5.625%	4,942,071
4.0%-5.0% issued 1/1/09; due 2011-2033	9,570,000	-	(225,000)	9,345,000	4.00%- 5.0%	5,945,485
2.75%-4.375% issued 1/11/10 due 2011-2034	9,200,000	-	(190,000)	9,010,000	2.750%- 4.375%	5,300,913
Total general obligation bonds	\$70,235,000	\$ -	(\$2,585,000)	\$ 67,650,000		\$31,219,892

(continued)

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)
Fiscal Year Ended June 30, 2011**

12. General Long-Term Obligations (continued)

Original Issue	Outstanding July 1, 2010	Borrowings	Payments	Outstanding June 30, 2011	Interest Rate On Unpaid Debt	Total Future Interest
Revenue bonds:						
4.25 %-7.0% issued 9/1/98; due 2011-2011	\$1,825,000	\$ -	(\$890,000)	\$935,000	4.35%- 4.4%	\$20,570
4.5 %-6.0% issued 4/1/99; due 2011-2011	1,545,000	-	(755,000)	790,000	4.5%	17,775
4.9%-5.75% issued 9/1/00; due 2011-2011	310,000	-	(310,000)	-	5.75%	-
4.1%-7.0% issued 3/1/01; due 2011-2024	6,200,000	-	(5,920,000)	280,000	4.2%- 5.0%	6,020
5.25%-7.0% issued 3/01/02; due 2011-2024	2,625,000	-	(2,515,000)	110,000	5.25%- 7.0%	7,700
3.75%-4.15% issued 3/14/06; due 2011-2024	8,100,000	-	(55,000)	8,045,000	3.75%- 4.15%	2,645,516
4.0%-6.0% issued 10/01/07; due 2011-2024	11,015,000	-	(510,000)	10,505,000	4.0%- 4.15%	3,309,031
3.25%-4.25% issued 10/11/08 due 2011-2024	4,785,000	-	(225,000)	4,560,000	3.25%- 4.25%	1,419,519
3.00%-4.25% issued 3/30/09 due 2011-2023	29,390,000	-	(175,000)	29,215,000	3.00%- 4.50%	8,665,431
1% Taxable QSCB issued 11/09/2010 due 2011-2024	10,000,000	-	-	10,000,000	0.6%	840,000
2.00%-4.00% issued 12/09/10 due 2011-2024	-	8,545,000	-	8,545,000	2.00%- 4.00%	2,914,956
Deferred amount of refunding	(493,308)	(162,200)	49,532	(605,976)	-	-
Total revenue bonds	\$75,301,692	48,382,800	(\$11,305,468)	\$72,379,024	-	\$19,846,518

(continued)

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)
Fiscal Year Ended June 30, 2011**

12. General Long-Term Obligations (continued)

Original Issue	Outstanding July 1, 2010	Borrowings	Payments	Outstanding June 30, 2011	Interest Rate On Unpaid Debt	Total Future Interest
Limited Tax Certificates:						
3.5%-4.4% issued 3-1-02; Due 2011-2012	\$1,680,000	\$ -	(\$820,000)	\$860,000	4.3%- 4.4%	\$37,840
3.0%-3.7% issued 3-28-03; Due 2011-2012	2,360,000	-	(1,150,000)	1,210,000	3.65%- 3.70%	44,770
Total limited tax Certificates of indebtedness	4,040,000	-	(1,970,000)	2,070,000		82,610
Total all Bonds and Certificates of Indebtedness	\$149,576,692	\$8,382,800	(\$15,860,468)	\$142,099,024		\$51,149,020 (concluded)

Principal and interest are due in total, to maturity, as follows:

Year Ended June 30,	Principal Payments	Interest Payments	Total
2012	\$8,245,000	\$5,341,423	\$13,586,423
2013	6,425,000	5,017,335	11,442,335
2014	6,695,000	4,781,504	11,476,504
2015	6,960,000	4,526,916	11,486,916
2016	9,505,000	4,260,972	13,765,972
2017-2021	38,955,000	16,734,389	55,689,389
2022-2026	49,985,000	7,596,596	57,581,596
2027-2031	11,315,000	2,561,735	13,876,735
2032-2034	4,620,000	328,150	4,948,150
Total	\$142,705,000	\$51,149,020	\$193,854,020

The following is a summary of governmental activities long-term obligation transactions for the year ended June 30, 2011:

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)
Fiscal Year Ended June 30, 2011**

12. General Long-Term Obligations (continued)

Long-term Obligations	Balance June 30, 2010	Additions	Deductions	Balance June 30, 2011	Amounts Due Within One Year
Claims liability	\$ 959,811	\$ 651,674	(\$ 686,312)	\$ 925,173	\$ 480,961
Compensated absences	6,599,423	584,452	(400,457)	6,783,418	411,622
OPEB	45,782,177	11,016,839	(5,764,382)	51,034,634	6,110,245
Long-term debt	149,576,692	8,382,800	(15,860,468)	142,099,024	7,750,468
Other	966,497	611,277	(488,563)	1,089,211	809,434
Total	<u>\$203,884,600</u>	<u>\$21,247,042</u>	<u>(\$23,200,182)</u>	<u>\$201,931,460</u>	<u>\$15,562,730</u>

Other long-term obligations at June 30, 2011, consist of bond premiums of \$305,348 and retainages payable of \$783,863.

The Ouachita Parish School Board issued \$8,545,000 in revenue refunding bonds along with an additional payment of \$168,106 paid from the West Ouachita Bond Debt Service Fund on December 7, 2010, to purchase United States Government State and Local Government Series Securities (SLGS) that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of \$8,500,000 of revenue bonds. The outstanding balances of the defeased 2001 and 2002 Series are \$280,000 and \$110,000, respectively at June 30, 2011. The 2001 Series will be called for redemption on September 1, 2011 and the 2002 Series will be called for redemption on September 1, 2012. As a result, this portion of the refunded bonds is considered to be defeased and the liability has been removed from the governmental activities column of the *Statement of Net Assets*. This advance refunding was undertaken to reduce total debt service payments over the next 13 years by \$649,332 and resulted in an economic gain of \$509,332.

	2001 Issue	2002 Issue	Total
Outstanding – June 30, 2010	\$ 6,200,000	\$ 2,625,000	\$ 8,825,000
Principal Payment September 1, 2010	(270,000)	(55,000)	(325,000)
Debt remaining with School Board	(280,000)	(110,000)	(390,000)
Defeased bonds – June 30, 2011	<u>\$ 5,650,000</u>	<u>\$ 2,460,000</u>	<u>\$ 8,110,000</u>

Old debt service payments	\$ 82,735,800
New debt service payments	(81,921,182)
Less additional debt service payment	(168,106)
Other	2,820
Savings	<u>\$ 649,332</u>

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)
Fiscal Year Ended June 30, 2011**

Payments on the general obligation bonds payable that pertain to the School Board's governmental activities are made by the East Ouachita Bond Debt Service Fund. Payments on the revenue bonds payable and the tax liability certificates of indebtedness that pertain to the School Board's governmental activities are funded by transfers from the West Ouachita Sales Tax Special Revenue Fund to the West Ouachita Bond No. 2 Debt Service Fund. The compensated absences liability attributable to the governmental activities will be liquidated by the School Board's General Fund.

The School Board does not have plans to place funds in an irrevocable trust to liquidate the other post-employment benefits liability. The School Board plans to continue on a pay-as-you go basis for OPEB benefits.

13. Interfund Assets/Liabilities (FFS level only)

Individual balances due from/to other funds at June 30, 2011 were as follows:

	<u>Due To Other Funds</u>	<u>Due From Other Funds</u>
Major Funds:		
General Fund:		
Deficit cash balances	\$ 415,511	\$ 12,925,434
Indirect cost	-	476,783
School food service	2,734	-
Total General Fund	<u>418,245</u>	<u>13,817,728</u>
Special Revenue Fund:		
District #1 Sales Tax	-	415,511
Capital Projects Fund:		
West Ouachita 2009 Construction:		
Deficit cash balances	4,806,809	-
Nonmajor Funds:		
Special Revenue Funds:		
School Food Service	-	2,734
Education Jobs - Stimulus		
Deficit cash balances	564,353	-
Title I Programs:		
Deficit cash balances	2,173,878	-
Indirect cost	178,556	-
Total Title I Programs	<u>2,352,434</u>	<u>-</u>

(continued)

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)
Fiscal Year Ended June 30, 2011**

13. Interfund Assets/Liabilities (FFS level only) (continued)

Nonmajor Funds: (continued)	Due To Other Funds	Due From Other Funds
Special Education IDEA B:		
Deficit cash balances	2,372,539	-
Indirect cost	197,327	-
Total Special Education IDEA-B	<u>2,569,866</u>	<u>-</u>
Other Federal Programs:		
Deficit cash balance	825,980	-
Indirect cost	100,900	-
Total Other Federal Programs	<u>926,880</u>	<u>-</u>
Capital Projects Funds:		
West Ouachita 2008 Construction:		
Deficit cash balance	577,211	-
East Ouachita 2009 Construction:		
Deficit cash balance	2,020,175	-
Total	<u>\$ 14,235,973</u>	<u>\$ 14,235,973</u> (Concluded)

The balances due for cash deficits are due to timing differences in receiving reimbursements from grantors for expenditure reimbursement grants after the fiscal year ended and for funds held in investments at year end that were not available to pay current obligations. The General Fund pays the obligations of expenditure reimbursement grants until a claim is filed and payment is received. Indirect cost balances represent the outstanding indirect cost payments due to the General Fund for the expenditures on outstanding grant reimbursement requests filed but not received from grantors by year end. All interfund transactions at year end will be completed during the 2010-11 fiscal year.

14. Nonspendable, Restricted, Committed, and Assigned Fund Balances (FFS level only)

The following Governmental Funds' fund balances are nonspendable, legally restricted, Board committed, or assigned for the following purposes:

Fund	Nonspendable	Amount
Nonmajor Funds:		
Special Revenue Funds:		
School Food Service	Food inventory	<u>\$114,280</u> (continued)

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)
Fiscal Year Ended June 30, 2011**

**14. Nonspendable, Restricted, Committed, and Assigned Fund Balances (FFS level only)
(continued)**

<u>Fund</u>	<u>Restricted</u>	<u>Amount</u>
Major Funds:		
General Fund	Protested taxes—needs updating	\$250,313
General Fund	Salaries and benefits	625,000
Total General Fund		<u>875,313</u>
Special Revenue Funds:		
District #1 Sales Tax	Instructional costs	3,635,229
District #1 Sales Tax	Capital projects	1,998,452
District #1 Sales Tax	Mandated costs	5,181,285
District #1 Sales Tax	Salaries and benefits	4,614,732
Total Major Special Revenue Funds		<u>15,429,698</u>
Capital Projects Fund:		
West Ouachita 2009 Construction	Capital projects	3,632,641
Nonmajor Funds:		
Special Revenue Funds:		
Supplemental Salaries Sales Tax – 1%	Salaries and related benefits	\$3,897,519
Supplemental Salaries Sales Tax – .5%	Salaries	1,462,673
West Ouachita Sales Tax	Construction, repairs, & debt service payments	4,572,463
School Food Service	Food services	1,186,675
Other Federal Programs	Pre-school programs	2,244
State Grants	Medical services	1,521,654
Total Nonmajor Special Revenue		<u>12,643,228</u>
Debt Service Funds:		
East Ouachita Bond	Debt service	4,782,819
West Ouachita Bond No. 2	Protested taxes	105,137
West Ouachita Bond No. 2	Debt service reserve requirement	6,749,548
Total Nonmajor Debt Service		<u>11,637,504</u>

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)
Fiscal Year Ended June 30, 2011**

**14. Nonspendable, Restricted, Committed, and Assigned Fund Balances (FFS level only)
(continued)**

<u>Fund</u>	<u>Restricted</u>	<u>Amount</u>
Nonmajor Funds: (continued)		
Capital Projects Funds:		
East Ouachita 2009 Construction	Capital projects	1,697,912
West Ouachita 2008 Construction	Capital projects	363,960
Total Nonmajor Capital Projects		<u>2,061,872</u>
Total Restricted Fund Balances		<u>\$46,280,256</u>

The School Board has committed the following Governmental Funds fund balances for these specific purposes:

<u>Fund</u>	<u>Committed for</u>	<u>Amount</u>
Major Funds:		
General Fund	Driver's Education	\$150,299
General Fund	Instructional cost	115,504
General Fund	Scholarships	9,260
General Fund	Diplomas	3,681
Total General Fund		<u>\$278,744</u>
Nonmajor Funds:		
Local Grants	Instructional cost	\$15,934
Local Grants	Salaries and benefits	26,241
Local Grants	Scholarships	3,712
Total Nonmajor Special Revenue		<u>\$45,887</u>
Total Committed Fund Balances		<u>\$324,631</u>

The management of the School Board has assigned \$500,000 of the General Fund's fund balance for major air conditioning repairs.

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)
Fiscal Year Ended June 30, 2011**

15. Litigation and Contingencies

The School Board is a defendant in several lawsuits. Management for the School Board believes that the potential claims against the School Board not covered by insurance have been adequately accrued at June 30, 2011. As more fully described in Note 1.R., the School Board is exposed to various risks through its self insurance plan for damage to property from natural disasters, fire and errors and omissions.

As with substantially all other school boards within the state, the School Board is substantially dependent upon federal, state and local funding. The loss or reduction of these funding sources would have a significant impact on its operations.

16. Interfund Transfers (FFS level only)

Transfers to/from other Governmental Funds for the year ended June 30, 2011 were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Funds:		
General Fund	\$ -	\$ 19,388
Nonmajor Funds:		
Special Revenue Funds:		
West Ouachita Sales Tax	-	8,798,059
Local Grants	14,388	-
Debt Service Funds:		
West Ouachita Bond No. 2	8,728,421	-
Capital Projects Funds:		
West Ouachita 2007 Construction	69,638	-
Total	<u>\$8,812,447</u>	<u>\$8,817,447</u>

A transfer of \$14,388 was made from the General Fund to the Local Grants Special Revenue Fund to establish the G.E.D. testing fees fund. A transfer of \$5,000 was made from the General Fund to the Agency Fund for the new Sterlington Middle School to establish its school operating account. Transfers totaling \$8,728,421 were made from the West Ouachita Sales Tax Special Revenue Fund to the West Ouachita Bond No. 2 Debt Service Fund as principal and interest payments became due. The West Ouachita Sales Tax Special Revenue Fund also transferred \$69,638 to the West Ouachita 2007 Construction Capital Projects Funds to cover additional construction costs.

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements (concluded)
Fiscal Year Ended June 30, 2011**

17. Subsequent Events

On July 7, 2011, the School Board authorized the sale and issuance of \$9.8 million General Obligation School Bonds, Series 2011 in the East Ouachita Bond District. The bond proceeds will be used to renovate and complete projects set forth in the "Capital Improvements Plan" approved by the School Board on January 11, 2011. The bonds will be repaid over a 19-year period at an overall interest rates ranging between 2.0 and 4.0 percent during this period. The bonds will be repaid by the ad valorem taxation authorized by the citizens of the East Ouachita Bond District in a special election held on April 30, 2011.

**Ouachita Parish School Board
Monroe, Louisiana**

Fiscal Year Ended June 30, 2011

**REQUIRED SUPPLEMENTARY INFORMATION
(PART B)**

**Ouachita Parish School Board
Monroe, Louisiana**

Fiscal Year Ended June 30, 2011



**Ouachita Parish School Board
Monroe, Louisiana**

Fiscal Year Ended June 30, 2011

The School Board's Other Post-Employment Benefits (OPEB) Plan is administered by the Office of Group Benefits (OGB) as an agent multiple-employer defined benefit OPEB plan. It provides health and life insurance coverage to eligible members. The following schedules present the actuarially determined funding progress and required contributions for the School Board's participation in the OGB OPEB Plan using the projected unit credit cost method.

**Schedule of Employer Contributions
Other Post-Employment Benefit Plan – Health & Life Insurance**

Year Ended June 30	Annual OPEB Cost	Contributions Made	Percentage Contributed	Net OPEB Obligation
2008	\$25,522,412	\$5,216,924	20.40%	\$20,305,488
2009	\$25,522,412	\$5,230,663	20.50%	\$40,597,237
2010 (2)	\$10,661,929	\$5,476,989	51.37%	\$45,782,177
2011	\$11,016,839	\$5,764,382	52.30%	\$51,034,634

**Schedule of Funding Progress
Other Post-Employment Benefit Plan – Health & Life Insurance**

		(a)	(b)	(a-b)	(b/a)	(c)	(a-b)/(c) UAAL as a Percentage of Covered
Year Ended June 30	Actuarial Valuation Date	Actuarial Accrued Liability (AAL)	Actuarial Value of Assets	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	Payroll
2008	7/01/2007	\$231,448,794	\$0	\$231,448,794	0%	\$112,573,045	205.60%
2009	7/01/2007	\$226,218,131	\$0	\$226,218,131	0%	\$117,354,515 (1)	192.76%
2010	7/01/2009	\$151,851,990 (2)	\$0	\$151,851,990	0%	\$116,424,720 (3)	130.43%
2011	7/01/2009	\$157,926,070	\$0	\$157,926,070	0%	\$117,265,436	134.67%

Notes:

- (1) The increase in covered payrolls in 2009 is due to implementing state mandated and locally funded pay increases for all salaried employees.
- (2) The School Board changed actuarial firms and obtained a new valuation resulted in a reduction of the Annual OPEB Cost and the AAL.
- (3) A decrease in covered payrolls is the result of a reduction in sales tax supplements paid to employees in November and June of this year. The decrease in salary supplement payments was due to a reduction in sales tax collections stemming from a decline in the local economy. Sales tax collections rebounded the following year.

**Ouachita Parish School Board
Monroe, Louisiana**

Fiscal Year Ended June 30, 2011



**Ouachita Parish School Board
Monroe, Louisiana**

**Budgetary Comparison Schedule
Fiscal Year Ended June 30, 2011**

General Fund and Major Special Revenue Funds with Legally Adopted Budgets

General Fund

The General Fund accounts for all activities of the School Board except for those that are accounted for in other funds. The major source of revenues for the General Fund are state equalization funding through the Minimum Foundation Program formula and a 24.5-mill ad valorem tax that was renewed in April 2011 for 10 years.

Special Revenue Funds

Special Revenue Funds account for and report the proceeds of specific revenue sources (other than special assessments) that are legally restricted or committed to expenditures for specified purposes other than debt service or capital projects. The term "proceeds of specific revenue sources" establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund. These funds, for the most part, are established for specific educational purposes and funded through the U. S. Department of Education or the Louisiana State Department of Education. The School Board is centrally located in Northeast Louisiana and acts as a regional fiscal agent for the State Department of Education for many educational programs.

District No. 1 Maintenance and Operations Sales Tax Fund

The District No.1 Sales Tax Fund collects, records and disburses funds related to the .5% sales tax renewed in April 2011 for 10 years to provide additional support for the school system. The School Board designated the tax for capital improvements and facility and equipment support—38%, classroom instruction—36%, mandated costs—14%, and salary restoration—12%.

**Ouachita Parish School Board
Monroe, Louisiana**

**GENERAL FUND
Budgetary Comparison Schedule (GAAP Basis)**

Fiscal Year Ended June 30, 2011

	<u>Budgeted Amounts</u>			<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Favorable</u>
	<u>Budget</u>	<u>Budget</u>		<u>(Unfavorable)</u>
Budgetary fund balance at beginning of year	\$ 20,801,130	\$ 17,311,383	\$ 17,311,383	\$ -
Resources (Inflows)				
Local sources:				
Ad valorem taxes	15,161,600	15,485,839	15,499,401	13,762
1% ad valorem tax - tax collector	515,800	533,912	532,787	(1,125)
Earnings on investments	200,000	40,000	241,248	201,246
Other	1,596,500	2,041,593	2,595,507	553,914
Total local sources	17,473,900	18,101,144	18,868,941	767,797
State sources:				
State equalization	113,044,793	111,235,665	111,235,722	57
Revenue sharing	818,300	825,408	825,408	-
Professional Improvement Program	265,000	288,488	267,915	(20,571)
State contribution for teacher retirement	-	-	50,835	50,835
Restricted grants-in-aid	80,000	83,167	8,956	(74,211)
Unrestricted grants-in-aid	17,000	8,956	-	(8,956)
Total state sources	114,225,093	112,441,682	112,388,836	(52,846)
Federal sources:				
Other federal support	250,000	299,500	301,337	1,837
Total Federal sources	250,000	299,500	301,337	1,837
Other financing sources				
Sale of assets	-	9,568	9,568	-
Amounts available for appropriations	152,750,123	148,163,277	148,880,065	716,788
Charges to appropriations (outflows)				
Current:				
Instructional services:				
Regular programs	63,421,434	57,258,848	56,836,347	422,501
Special education programs	14,415,838	14,732,672	14,603,503	129,169
Vocational programs	1,475,591	2,129,599	2,095,875	33,724
Other instructional programs	2,826,770	4,834,284	4,874,341	(40,057)
Special programs	82,000	446,576	496,023	(49,447)
Adult/continuing education	1,749	9,139	24,769	(15,630)
Support services:				
Pupil support services	6,041,267	6,650,343	6,837,850	(187,507)
Instructional staff support services	5,104,347	5,344,673	5,528,996	(184,323)
General administration	2,076,646	1,265,389	1,309,763	(54,374)
School administration	9,739,494	10,065,037	10,204,775	(139,738)
Business services	1,973,434	1,925,825	1,678,827	246,998
Plant services	16,299,310	17,019,164	17,212,698	(193,534)
Student transportation services	7,119,056	7,914,527	7,857,155	57,372
Central services	2,018,488	2,660,689	2,744,169	(83,480)
Noninstructional services:				
Food service operations	611,562	705,947	708,804	(2,857)
Community service programs	24,000	23,581	23,851	(270)
Facility Acquisition & construction	-	2,691	2,708	(17)
Debt service:				
Interest and other charges	1,000	900	900	-
Other financing uses				
Transfers in	-	-	-	-
Transfers out	400,000	89,388	19,388	50,000
Total charges to appropriations	133,611,786	133,049,272	133,060,742	(11,470)
Budgetary fund balance at end of year	\$ 19,138,337	\$ 15,114,005	\$ 15,819,323	\$ 705,318

See accompanying notes to the budgetary comparison schedules.

**Ouachita Parish School Board
Monroe, Louisiana**

**Special Revenue Fund -
District #1 Sales Tax
Budgetary Comparison Schedule (GAAP Basis)**

Fiscal Year Ended June 30, 2011

	Budgeted Amounts			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
Budgetary fund balance at beginning of year	<u>\$ 14,312,846</u>	<u>\$ 17,308,880</u>	<u>\$ 17,308,880</u>	<u>\$ -</u>
Resources (inflows)				
Local sources:				
Sales and use taxes	5,800,000	6,101,242	6,130,045	28,803
Earnings on investments	<u>100,000</u>	<u>117,700</u>	<u>36,068</u>	<u>(81,632)</u>
Total local sources	<u>5,900,000</u>	<u>6,218,942</u>	<u>6,166,113</u>	<u>(52,829)</u>
Other financing sources				
Transfers in	<u>400,000</u>	<u>50,000</u>	<u>-</u>	<u>(50,000)</u>
Amounts available for appropriations	<u>20,612,846</u>	<u>23,577,822</u>	<u>23,474,993</u>	<u>(102,829)</u>
Charges to appropriations (outflows)				
Current:				
Instructional services:				
Regular programs	1,214,115	936,688	977,310	(40,622)
Special education programs	301,275	304,062	296,823	7,239
Vocational programs	-	41,417	58,106	(16,889)
Other instructional programs	1,153,748	1,583,474	1,433,730	149,744
Support services:				
Pupil support services	530,170	653,936	656,484	(2,548)
Instructional staff support services	227,850	199,589	186,798	12,791
General administration	650	43,601	40,612	2,989
School administration	88,125	86,373	86,373	-
Business services	19,070	19,758	19,757	1
Plant services	1,442,890	2,056,812	2,256,394	(199,582)
Student transportation services	1,167,075	1,077,163	1,083,022	(5,859)
Central services	11,500	14,585	15,692	(1,107)
Noninstructional services:				
Food service operations	140,775	133,308	133,073	235
Facility acquisition and construction	<u>800,000</u>	<u>1,018,297</u>	<u>801,121</u>	<u>217,176</u>
Total charges to appropriations	<u>7,097,243</u>	<u>8,169,063</u>	<u>8,045,295</u>	<u>123,768</u>
Budgetary fund balance at end of year	<u>\$ 13,515,603</u>	<u>\$ 15,408,759</u>	<u>\$ 15,429,698</u>	<u>\$ 20,939</u>

See accompanying notes to the budgetary comparison schedules.

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to Budgetary Comparison Schedules
Fiscal Year Ended June 30, 2011**

Budget and Budgetary Accounting

The School Board utilizes the following procedures in establishing the budgetary data reflected in the financial statements:

In September, the Business Manager submits to the School Board proposed annual appropriated budgets for the General Fund, the Special Revenue Funds, and the Debt Service Funds for the fiscal year commencing the prior July 1. A public hearing is conducted to obtain taxpayer comments. Prior to September 15, the School Board legally enacts the budget through adoption. The only legal requirement is that the School Board adopt a balanced budget; that is, total budgeted revenues and other financing sources (including fund balance) must equal or exceed total budgeted expenditures and other financing uses. The budget is revised periodically throughout the school year, when deemed appropriate, but a balanced budget is always approved.

The General Fund budget is adopted on a basis consistent with GAAP. Unencumbered appropriations in the General Fund lapse at the end of the fiscal year, whereas, encumbered appropriations are carried forward to the following year. Budgeted amounts are as originally adopted or as amended by the School Board.

The Special Revenue Funds' and Debt Service Funds' budgets have annual appropriated budgets adopted on a basis consistent with GAAP. Except for grant-oriented funds, unencumbered appropriations lapse at the end of the fiscal year. Encumbered appropriations are utilized when goods or services are received. Grant-oriented fund budgets are adopted at the time the grant applications are approved by the grantor. Separate annual budgets are adopted for unencumbered appropriations of grant-oriented Special Revenue Funds at the beginning of the following fiscal year.

Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, and Debt Service Funds. All budgets are operational at the departmental or project level. The Superintendent and Business Manager of the School Board are authorized to transfer budget amounts between line item activity and between any functions of an individual fund; however, any supplemental appropriations that amend the total expenditures of any fund require School Board resolution. The effects of budget revisions passed during the year were insignificant to the budgets as originally approved.

Ouachita Parish School Board
Monroe, Louisiana

Notes to Budgetary Comparison Schedule (continued)
Fiscal Year Ended June 30, 2010

Expenditures - Budget and Actual

The following individual major fund had actual expenditures over total budgeted appropriations for the year ended June 30, 2011. The variance is disclosed at the legal level of budgetary control as previously described in the Notes to Budgetary Comparison Schedule.

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Over Budget</u>
Major Funds:			
General Fund	\$133,049,072	\$133,060,742	(\$11,470)

The General Fund's actual expenditures exceeded budgeted expenditures due to management of the School Board deciding to fund the alternative school from the General Fund instead of the District #1 Sales Tax Special Revenue Fund.

**Ouachita Parish School Board
Monroe, Louisiana**

Fiscal Year Ended June 30, 2011



LUFFEY, HUFFMAN, RAGSDALE & SOIGNIER

(A PROFESSIONAL ACCOUNTING CORPORATION)
CERTIFIED PUBLIC ACCOUNTANTS

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Francis I. Huffman, CPA
Philip A. Ragsdale, CPA
David Ray Solgnier, CPA, MBA

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Lynn Andries, CPA
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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Ouachita Parish School Board Monroe, Louisiana

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the **Ouachita Parish School Board** (the School Board) as of and for the year ended June 30, 2011, which collectively comprise the School Board's basic financial statements and have issued our report thereon dated December 30, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the School Board's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School Board's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School Board's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompany Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the School Board's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questions Costs listed as 11-01 and 11-02 to be material weaknesses.

**Ouachita Parish School Board
Monroe, Louisiana**

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain other matters that we reported to management of the School Board in a separate letter dated December 30, 2011.

The School Board's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the School Board's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management of the School Board, others within the entity, federal awarding agencies and pass-through entities, and other entities granting funds to the School Board and the Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Sniffing Huffman Regalado & Smith

(A Professional Accounting Corporation)

December 30, 2011

LUFFEY, HUFFMAN, RAGSDALE & SOIGNIER

(A PROFESSIONAL ACCOUNTING CORPORATION)
CERTIFIED PUBLIC ACCOUNTANTS

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REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Ouachita Parish School Board
Monroe, Louisiana

Compliance

We have audited the **Ouachita Parish School Board's** (the School Board) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the major federal programs for the year ended June 30, 2011. The School Board's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School Board's management. Our responsibility is to express an opinion on the School Board's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the School Board's compliance with those requirements.

In our opinion, the School Board complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

**Ouachita Parish School Board
Monroe, Louisiana**

Internal Control Over Compliance

Management of the School Board is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the School Board's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Board's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above.

This report is intended solely for the information and use of management of the School Board, others within the entity, federal awarding agencies and pass-through entities, and other entities granting funds to the School Board and the Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Huffman, Huffman, Reynolds & Siggins

(A Professional Accounting Corporation)

December 30, 2011

**OUACHITA PARISH SCHOOL BOARD
MONROE, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011**

FUND NUMBER	FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	C.F.D.A. NUMBER	FEDERAL GRANT NUMBER	PASS- THROUGH NUMBER	PROGRAM DISBURSEMENTS
CASH FEDERAL AWARDS					
U.S. DEPARTMENT OF AGRICULTURE					
Passed through Louisiana Department of Education:					
300	School Breakfast Program	10.553A	Not Available	LEA No. 037	\$ 1,483,230
300	National School Lunch Program	10.555A	Not Available	LEA No. 037	4,095,652
301	Summer Food Service Program for Children	10.559A	Not Available	LEA No. 037	138,288
302	Fresh Fruit and Vegetable Program	10.582B	Not Available	LEA No. 037	303,298
TOTAL U.S. DEPARTMENT OF AGRICULTURE					6,040,468
U.S. DEPARTMENT OF DEFENSE					
Direct Programs:					
100	Air Force Junior Reserve Officer Training Corps	Not Available	LA050061	N/A	64,245
100	Army Junior Reserve Officer Training Corps	Not Available	LA331676	N/A	54,768
100	Naval Junior Reserve Officer Training Corps	Not Available	N4982310MJRTC	N/A	76,906
100	Naval Junior Reserve Officer Training Corps	Not Available	N9637710MJRTC	N/A	100,894
TOTAL U.S. DEPARTMENT OF DEFENSE					296,813
U.S. DEPARTMENT OF JUSTICE					
Passed through Ouachita Parish Sheriff's Office:					
584	Public Safety Partnership and Community Policing Grants: Methamphetamine Initiative	16.710B	2007CKWX0284	None	4,514
TOTAL U.S. DEPARTMENT OF JUSTICE					4,514
U.S. DEPARTMENT OF LABOR					
Passed through Northeast Louisiana Workforce Centers, Inc.:					
Passed through Louisiana Delta Community College:					
594	Community-Based Job Training Grants Building a Louisiana Workforce Initiative	17.269B	SGA/OFA PY 08-02	None	455
TOTAL U.S. DEPARTMENT OF LABOR					455
U. S. DEPARTMENT OF NATIONAL AERONAUTICS & SPACE ADMINISTRATION - NASA					
Direct Programs:					
Passed through Lincoln Parish School System:					
595	NASA - Threads	43.008	80-0128-0-1-252		7,168
TOTAL U.S. DEPARTMENT OF NASA					7,168

**OUACHITA PARISH SCHOOL BOARD
MONROE, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011**

FUND NUMBER	FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	C.F.D.A. NUMBER	FEDERAL GRANT NUMBER	PASS- THROUGH NUMBER	PROGRAM DISBURSEMENTS
CASH FEDERAL AWARDS					
U. S. DEPARTMENT OF EDUCATION					
Direct Programs:					
Safe and Drug-Free Schools and Communities-National Programs:					
645	Mentoring Program Grants	84.184B	Q184B070789	None	106,362
588	Readiness Emergency Management Systems (REMS)	84.184E	Q184E100082	None	139,498
					<u>245,860</u>
Funds for the Improvement of Education-Programs of National Significance:					
664	Adult and Family Literacy Services	84.215K	U215K100003	None	146,303
Passed through Louisiana Department of Education:					
Adult Education-State Grant Program:					
560	Adult Education-Federal Funds (2009-10)	84.002A	V002A090018	281044-37	29,331
562	Adult Education-Federal Supplemental (2009-10)		V002A090018	281021-37	14,984
524	Federal English Language/Civics Program (2009-10)		V002A090018	281007-37	2,327
526	One Stop Centers (2009-10)		V002A090018	281013-37	82
					<u>46,724</u>
Title I Grants to Local Educational Agencies:					
601	Title I Part A Basic (2008-09)	84.010A	S010A080018	2809T1-37	1,331,468
601	Title I Part A Basic (2009-10)		S010A090018	2810T1-37	4,203,608
					<u>5,535,076</u>
Migrant Education-State Grant Program:					
656	Migrant Education (2009-10)	84.011A	S011A090018A	2810M1-37	21,022
657	Migrant Education (2009-10) carryover		S011A090018A	2810M1-37	447
676	Migrant Education (2010-11)		S011A100018	2811M1-37	131,475
					<u>152,944</u>
Special Education-Grants to States:					
530	IDEA Part B (2009-10) Reallocation	84.027A	H027A090033	2810B1-37	1,324,118
530	IDEA Part B (2010-11)		H027A100033	2811B1-37	3,539,770
550	STEM Co-Teaching Teams		H027A100033	2811S2-37	6,353
					<u>4,870,241</u>
Vocational Education-Basic Grants to States:					
510	Carl Perkins Grant - FY 2009-10 Reallocation	84.048A	V048A090018	281002-37	19,327
510	Carl D. Perkins Vocational Technical Education (2010-11)		V048A100018A	281102-37	260,501
					<u>279,828</u>
Migrant Education Coordination Program:					
677	Migrant Education Program Consortium Incentive Grant	84.144F	S144F090018	2810M4-37	8,000
Special Education-Preschool Grants:					
532	Preschool (2009-10) Reallocation	84.173A	H173A090082	2810P1-37	46,101
532	Preschool (2010-11)		H173A100082	2811P1-37	12,936
					<u>59,037</u>

**OUACHITA PARISH SCHOOL BOARD
MONROE, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011**

FUND NUMBER	FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	C.F.D.A. NUMBER	FEDERAL GRANT NUMBER	PASS- THROUGH NUMBER	PROGRAM DISBURSEMENTS
CASH FEDERAL AWARDS					
U. S. DEPARTMENT OF EDUCATION (continued)					
Passed through Louisiana Department of Education (continued):					
	Safe and Drug-Free Schools and Communities--State Grants:				
604	Title IV (2009-10) carryover	84.186A	Q186A090019	281070-37	8,073
Education for Homeless Children and Youth:					
654	Homeless (2009-10)	84.196A	S196A090019	2810H1-37	13,470
675	Homeless (2009-10) carryover		S196A090019	2810H1-37	10,280
674	Homeless (2010-11)		S196A100019	2811H1-37	36,247
					<u>59,997</u>
Even Start-State Educational Agencies:					
650	Even Start (2009-10)	84.213C	S213C090019A	2810F1-37	30,847
651	Even Start (2009-10) carryover		S213C090019A	2810F1-37	6,040
670	Even Start (2010-11)		S213C10019	2811F1-37	255,550
					<u>292,437</u>
Education Technology State Grants:					
609	Enhancing Education Through Technology (2009-10)	84.318X	S318X090018	281049-37	11,532
619	Enhancing Education Through Technology (2009-10) carryover		S318X090018	281049-37	323
					<u>11,855</u>
646	Advanced Placement Test Fee Program:	84.330B	S330B100046	281126-37	8,255
English Language Acquisition Grants:					
603	Title III (2009-10) reallocation	84.365A	T365A090018	281060-37	21,749
603	Title III (2010-11)		T365A100018A	281160-37	28,615
					<u>50,364</u>
Mathematics and Science Partnerships:					
632	Math and Science Partnerships (2011-12)	84.366B	S366B080019	2809MP-37	68,254
612	Math and Science Partnerships (2009-10)		S366B090019	2810MP-37	89,660
Passed through Morehouse Parish School Board:					
642	Math and Science Partnerships (2007-08)		S366B070019	2808MP-34	16,252
					<u>174,166</u>
Improving Teacher Quality State Grants:					
602	Title II Part A (2009-10)	84.367A	S367A090017	281050-37	204,392
602	Title II Part A (2010-11)		S367A100017	281150-37	868,906
					<u>1,073,298</u>
649	Enhancing Education Technology State Grants - Recovery Act	84.386A	S386A090018	280959-37	7,469
655	Education for Homeless Children & Youth - Recovery Act	84.387A	S387A090019	2809H2-37	10,142
611	Title I Grants to Local Education Agencies - Recovery Act	84.389A	S389A090018A	2809A1-37	1,729,725
531	Special Education - Grants to States - Recovery Act	84.391A	H391A090033	2809A1-37	2,496,106
533	Special Education - Preschool Grants - Recovery Act	84.392A	H392A090082	2809AP-37	17,714
320	Education Jobs Fund	84.410A	S410A100019	2811EJ-37	2,323,286

**OUACHITA PARISH SCHOOL BOARD
MONROE, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011**

FUND NUMBER	FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	C.F.D.A. NUMBER	FEDERAL GRANT NUMBER	PASS- THROUGH NUMBER	PROGRAM DISBURSEMENTS
CASH FEDERAL AWARDS					
U. S. DEPARTMENT OF EDUCATION (continued)					
Passed through Louisiana Community Technical College System:					
	Adult Education-State Grant Program:	84.002A			
540	Adult Education - Federal Funds (2010-11)		V002A100018	482110	569,590
542	Adult Education - Federal Supplemental (2010-11)		V002A100018	482130	54,018
544	Adult Education - Family Literacy (2010-11)		V002A100018	482120	10,625
556	Adult Education - One Stop Centers (2010-11)		V002A100018	482150	4,026
557	Adult Education - EL/Civics Education (2010-11)		V002A100018	482140	13,014
					<u>651,273</u>
Passed through University of Louisiana at Monroe:					
566	Migrant Education - High School Equivalency Program	84.141A	SI41A10040	PO0002170	326,024
Passed through Louisiana Endowment for the Humanities:					
647	Funds for the Improvement of Education-American History and Civics Education Act:	84.215X			
	North Louisiana Exploring the American Experience		U215X090098	None	8,458
					<u>20,592,655</u>
TOTAL U.S. DEPARTMENT OF EDUCATION					
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Passed through Louisiana Department of Education					
	Temporary Assistance for Needy Families:	93.558B			
513	Jobs for America's Graduates - TANF (1) Employ (2010-11)		G1002LATANF	2811JE-37	60,000
570	The Cecil J. Picard LA-4 Pre-Kindergarten Programs		G1002LATANF	281136-37	1,448,048
					<u>1,508,048</u>
Passed through LCTCS:					
	Temporary Assistance for Needy Families:	93.558B			
543	Strategies to Empower People - STEP Program		G1102LATANF	482350	38,100
523	Strategies to Empower People - STEP Program		G1102LATANF	482350	10,840
					<u>48,940</u>
Passed through Louisiana Department of Social Services:					
	Passed through Louisiana Department of Education:	93.667			
576	Prekindergarten Programs in Diverse Delivery Settings		G1001LASOSR	2811DD-37	192,683
Passed through Louisiana School Board Association:					
593	Schools Putting Prevention to Work - Recovery Act	93.724	3U58DP001970-01S2	688976	3,619
					<u>1,753,290</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					
TOTAL EXPENDITURES OF CASH FEDERAL AWARDS					\$ 28,695,363
NONCASH FEDERAL AWARDS					
UNITED STATES DEPARTMENT OF AGRICULTURE					
Passed Through Louisiana Department of Agriculture:					
300	Food Donation (Commodities)	10.555	SCH075	LEA No. 037	\$ 373,111
TOTAL EXPENDITURES OF NONCASH FEDERAL AWARDS					<u>373,111</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS					\$ 29,068,474

OUACHITA PARISH SCHOOL BOARD
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2011

Note 1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes all Federal grant activity of the Ouachita Parish School Board (the School Board) for the year ended June 30, 2011 and is presented on the modified accrual basis of accounting. The modified accrual basis of accounting recognizes revenues when they become both measurable and available to pay current period liabilities and expenditures when the related liability is incurred.

Note 2 - Relationship of the Schedule of Expenditures of Federal Awards to the Financial Statements

The following reconciliation is provided to help the reader of the School Board's financial statements and supplementary information relate such information to the Schedule of Expenditures of Federal Awards for the year ended June 30, 2011:

	Federal Programs	Other Federal Support	Total
Revenues:			
General Fund	\$ 296,812	\$ -	\$ 296,812
State Fiscal Stabilization Funds-Stimulus	2,323,286	-	2,323,286
School Food Services	6,040,468	373,111	6,413,579
Title I	7,709,105	-	7,709,105
IDEA B	7,443,098	-	7,443,098
Other Federal	4,873,517	-	4,873,517
Total Governmental Funds Expenditures	28,686,286	373,111	29,059,397
Agency Fund Expenditures	9,077	-	9,077
Total Federal Expenditures	<u>\$ 28,695,363</u>	<u>\$ 373,111</u>	<u>\$ 29,068,474</u>

**OUACHITA PARISH SCHOOL BOARD
MONROE, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011**

Section I – Summary of Auditor's Results

Financial Statements

Type of Auditor's Report Issued: Unqualified

Internal Control Over Financial Reporting

Material Weakness(es) identified? ☒ Yes ☐ No

Significant Deficiency(s) identified not considered to be material weaknesses? ☐ Yes ☒ None Reported

Noncompliance material to financial statements noted? ☐ Yes ☒ No

Federal Awards

Internal Control Over Major Programs

Material weakness(es) identified? ☐ Yes ☒ No

Significant Deficiency(s) identified not considered to be material weakness(es)? ☐ Yes ☒ None Reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section 510(a)? ☐ Yes ☒ No

Dollar threshold used to distinguish between Type A and Type B programs
\$872,054

Auditee qualified as low-risk auditee? ☐ Yes ☒ No

Identification of Major Programs

CFDA#	PROGRAM TITLE
10.553A	School Breakfast Program
10.555A	National School Lunch Program
10.559A	Summer Food Service Program for Children
84.010A	Title I Grants to Local Educational Agencies
84.367A	Improving Teacher Quality State Grants
84.389A	ARRA-Title I Grants to Local Educational Agencies
84.410A	Education Jobs Funds
84.141A	Migrant Education-HEP

**OUACHITA PARISH SCHOOL BOARD
MONROE, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011**

Section II – Financial Statement Findings and Questioned Costs:

11-01 Bank Reconciliations

(First reported in 2009)

Finding

The bank reconciliation for the master bank accounts was not finalized until early December 2011. Additionally, since 2009, there have been unreconciled differences in the bank reconciliation of \$13,912.50 at June 30, 2009, \$23,347.53 at June 30, 2010 and \$16,832.57 at June 30, 2011. These bank accounts (there are three bank accounts at two banks that make up the master bank accounts) handle all accounts payable and payroll activities, as well as significant revenue transactions. The bank statements not being reconciled soon after month end could cause material misstatements in the general ledger and ultimately the financial statements.

Recommendation

We recommend that the bank reconciliation be completed as soon as practical after month-end but no later than the last day of the subsequent month and that the source of all differences should be determined and corrected as necessary.

Response

Management will establish and communicate a firm deadline to accounting staff for bank reconciliations to be completed by the close of the month following the month of reconciliation, and that a full reconciliation is expected. A more thorough investigation of all unreconciled balances will be required until a full reconciliation is achieved. Management will enforce the timely reconciliation of all School Board bank accounts. Fully reconciled bank reconciliations will be required to be submitted to the Business Manager for review and approval by subsequent month-end.

11-02 Internal Controls over Investments

Finding

During the course of our audit, we noted that the general ledger accountant has the authority to initiate all investment transactions as well as has access to accounting and record keeping responsibilities for the investments and cash accounts.

The School Board's investment policy states that, "the Business Manager shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials and his designees."

**OUACHITA PARISH SCHOOL BOARD
MONROE, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011**

Recommendation

We recommend that the School Board establish a system of internal controls involving the business manager that allows for better monitoring of investment transactions. Specifically, the general ledger accountant should notify the Business Manager of all significant bank / investment outgoing transfers before the transfer is made. In addition to the general ledger accountant, there should be direct communication from the bank / investment firm to the Business Manager of all outgoing transactions involving the movement of funds.

Response

The Business Manager will be set up with the School Board's fiscal agent bank to receive electronic notifications for all outgoing wire transfers from School Board bank accounts and with investment firms to receive electronic notifications for all outgoing wire transfers from School Board investment accounts in their custody. Further, the general ledger accountant, also designated as the investment manager, shall be required to provide documentation of all transfers to the Business Manager for signed approval either prior to or within 24 hours of when fund transfers are made. In instances where the electronic notifications described above are not available to the School Board, the general ledger accountant must obtain approval from the Business Manager *prior* to initiating a transfer of funds.

As an additional internal control, the general ledger accountant shall prepare and maintain on a monthly basis a schedule of all investments of the School Board for all funds as of the end of each month. The information presented in the investment schedule will be determined by the Business Manager. The investment schedule will be submitted to the Business Manager for review and approval no later than 45 days following the month-end date of the report.

**OUACHITA PARISH SCHOOL BOARD
MONROE, LOUISIANA
SUMMARY STATUS OF PRIOR YEAR FINDINGS**

The following is a summary of the status of the prior year findings included in Luffey Huffman, Ragsdale & Soignier (APAC) audit report dated December 27, 2010, in connection with the audit of the financial statements of the Ouachita Parish School Board (the School Board) as of and for the year ended June 30, 2010.

10-01 Local Government Budget Act

Finding

The Local Government Budget Act provides, among other things, for the amendment of the budget when actual expenditures exceed budgeted amounts by 5% or more and that a budget should not be adopted wherein budgeted expenditures exceed estimated amounts available to fund them. In fiscal year 2010, the School Board has four special revenue funds that exceeded its budget by 5% of estimated revenues or expenditures which were not amended.

Status

Fiscal year 2010 is no longer applicable. The School Board's final amended budget for fiscal year 2011 was within the 5% requirement of actual revenues and expenditures.

10-02 Financial Reporting

Finding

The School Board had a \$4,199,451 investment that was incorrectly reported as a cash equivalent. The School Board also had a \$23,348 unreconciled difference in the master bank account.

Status

Fiscal year 2010 was corrected before the issuance of the report. Classifications of cash equivalents and investments were correctly reported in fiscal year 2011. The unreconciled difference on the master bank account is still unresolved and is reported again as Finding 11-01.

Management Letter

Documentation of Internal Control

Finding

The School Board did not have adequate documentation of internal control over financial reporting using the Committee of Sponsoring Organizations (COSO) framework so that the School Board could more easily discharge its responsibility to design and implement controls and monitor those controls for effectiveness over time.

Status

The School Board engaged a CPA to assist in documenting and compiling accounting and internal control procedures into a written document. The preliminary document has been prepared by the CPA and received by Management for review. Management is currently reviewing these procedures and will work with the CPA in making additional changes, updates or amendments to the document prior to submitting the document for final approval by the School Board.

**Ouachita Parish School Board
Monroe, Louisiana**

**Miscellaneous Statistical Data
School Board Members' Compensation**

June 30, 2011

The schedule of compensation paid to School Board members was prepared in compliance with House Concurrent Resolution No. 54 of the 1979 session of the Louisiana Legislature.

The compensation of the School Board members is included in the general administration expenditures of the General Fund. In accordance with Louisiana Revised Statute 17:56, the School Board members have elected the monthly payment method of compensation. Under this method, the members of the School Board received \$800 per month. Additionally, the president received \$100 per month for exercising the duties of his office.

<u>Board Member</u>	<u>District</u>	<u>Amount</u>
Mr. Jack White, President (retired Dec 2010)	A	\$ 5,400
Judge William Norris (beginning Jan 2011)	A	4,800
Mr. Scott Robinson	B	9,600
Mr. A. R. "Red" Sims	C	9,600
Mr Jerry Hicks, President (beginning Jan 2011)	D	10,200
Rev. John R Russell	E	9,600
Mr. Carey Walker	F	9,600
Ms Susan Spence	G	<u>9,600</u>
Total		<u>\$ 68,400</u>

LUFFEY, HUFFMAN, RAGSDALE & SOIGNIER

(A PROFESSIONAL ACCOUNTING CORPORATION)
CERTIFIED PUBLIC ACCOUNTANTS

John L. Luffey, MBA, CPA (1963-2002)
Francis I. Huffman, CPA
Philip A. Ragsdale, CPA
David Ray Soignier, CPA, MBA

John Herman, CPA
Lynn Andries, CPA
Esther Atteberry, CPA
Sandra Harrington, CPA
Lori Woodard, MBA, CPA

MANAGEMENT LETTER

Ouachita Parish School Board Monroe, Louisiana

In planning and performing our audit of the financial statements of the Ouachita Parish School Board (the School Board) for the year ended June 30, 2011, we considered its internal control structure in order to determine our auditing procedures for purposes of expressing our opinion on the financial statements and not to provide assurance on the internal control structure or overall compliance with laws and regulations.

However, during our audit we became aware of certain matters that are opportunities for strengthening internal controls and the overall environment for compliance with laws and regulations. This letter will summarize our comments and suggestions regarding those matters. This letter does not affect our report dated December 30, 2011 on the financial statements of the School Board.

Documentation of Internal Control

Finding:

Management of the School Board is charged with establishing and maintaining internal control and to assess internal control for effectiveness in design and operation. Those components are outlined in the Committee of Sponsoring Organizations of the Treadway Commission Report (commonly referred to as the COSO Report, or COSO) and consist of the Control Environment; Risk Assessment; Control Activities; Information and Communication; and Monitoring.

While certain elements of the components of internal control exist and certain aspects of the control activities have been documented, the School Board does not possess the written documentation of all components of internal control over School Board operations.

For management and those charged with governance to properly discharge their responsibility to establish and maintain internal control, there must exist a level of documentation of internal control sufficient to allow them to assess operating effectiveness and design, not just at a point in time, but over a period of time. As circumstances change, controls should be re-evaluated for ongoing effectiveness.

**Ouachita Parish School Board
Monroe, Louisiana
Management Letter
Page 2 of 2**

Recommendation:

We recommend that management of the School Board finalize the internal control document over financial reporting using the COSO framework whereby they define each of the five elements in order that they may more easily discharge their responsibility to design and implement controls and monitor those controls for effectiveness over time. As part of this review and documentation, the School Board should utilize the *Checklist of Best Practices in Government* prepared by the Louisiana Legislative Auditor's office.

Management's Corrective Action Plan:

The School Board has engaged a CPA to assist in documenting internal control procedures over the accounting and financial reporting process and compile these procedures into a more formal written document. The preliminary document has been prepared by the CPA and received by Management for review. Management is currently reviewing these procedures for accuracy and completeness and to identify modifications needed to control any weaknesses noted. When evaluating the established controls, we will take into consideration the COSO framework and the *Checklist of Best Practices in Government* prepared by the Louisiana Legislative Auditor's office. Management will continue to work under the consultation of the CPA to finalize these internal control procedures prior to submitting the document for approval by the School Board.

Huffman, Huffman, Roydall, & Siggins

(A Professional Accounting Corporation)

December 30, 2011

**Ouachita Parish School Board
Monroe, Louisiana**

**Independent Accountants' Report
On Applying Agreed-Upon Procedures**

For The Year Ended June 30, 2011

**OUACHITA PARISH SCHOOL BOARD
MONROE, LOUISIANA**

AGREED-UPON PROCEDURES

JUNE 30, 2011

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LUFFEY, HUFFMAN, RAGSDALE & SOIGNIER

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED UPON PROCEDURES FOR THE YEAR ENDED JUNE 30, 2011

OUACHITA PARISH SCHOOL BOARD MONROE, LOUISIANA

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Ouachita Parish School Board (the School Board) and the Legislative Auditor, State of Louisiana (collectively, the Specified Users), solely to assist users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of Ouachita Parish School Board and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE). This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the Specified Users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings relate to the accompanying schedules required by state law and are as follows:

General Fund Instructional and Support Expenditures and Certain Local Revenue Sources (Schedule 1)

1. We selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following amounts reported on the schedule:
 - Total General Fund Instructional Expenditures,
 - Total General Fund Equipment Expenditures,
 - Total Local Taxation Revenue,
 - Total Local Earnings on Investment in Real Property,
 - Total State Revenue in Lieu of Taxes,
 - Nonpublic Textbook Revenue, and
 - Nonpublic Transportation Revenue.

Ouachita Parish School Board
Monroe, Louisiana

Education Levels of Public School Staff (Schedule 2)

2. We reconciled the total number of full-time classroom teachers per the schedule "Experience of Public Principals and Full-time Classroom Teachers" (Schedule 4) to the combined total number of full-time classroom teachers per this schedule and to School Board supporting payroll records as of October 1st.
3. We reconciled the combined total of principals and assistant principals per the schedule "Experience of Public Principals and Full-time Classroom Teachers" (Schedule 4) to the combined total of principals and assistant principals per this schedule.
4. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1st and as reported on the schedule. We traced a random sample of 25 teachers to the individual's personnel file and determined if the individual's education level was properly classified on the schedule.

Number and Type of Public Schools (Schedule 3)

5. We obtained a list of schools by type as reported on the schedule. We compared the list to the schools and grade levels as reported on the Title 1 Grants to Local Educational Agencies (CFDA 84.010) application and/or the National School Lunch Program (CFDA 10.555) application.

Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers (Schedule 4)

6. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1st and as reported on the schedule and traced the same sample used in procedure 4 to the individual's personnel file and determined if the individual's experience was properly classified on the schedule.

Public School Staff Data: Average Salaries (Schedule 5)

7. We obtained a list of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status as well as full-time equivalent as reported on the schedule and traced a random sample of 25 teachers to the individual's personnel file and determined if the individual's salary, extra compensation, and full-time equivalents were properly included on the schedule.
8. We recalculated the average salaries and full-time equivalents reported in the schedule.

**Ouachita Parish School Board
Monroe, Louisiana**

Class Size Characteristics (Schedule 6)

9. We obtained a list of classes by school, school type, and class size as reported on the schedule and reconciled school type classifications to Schedule 3 data, as obtained in procedure 5. We then traced a random sample of 10 classes to the October 1st roll books for those classes and determined if the class was properly classified on the schedule.

Louisiana Educational Assessment Program (LEAP) (Schedule 7)

10. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by the School Board.

Graduation Exit Examination (Schedule 8)

11. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by the School Board.

Iowa and iLEAP Tests (Schedule 9)

12. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by the School Board.

Our twelve procedures enumerated above did not disclose any exceptions.

We were not engaged to and did not perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Specified Users, the Louisiana Department of Education and the Louisiana Legislature and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Jeffrey Huffman, Registered Accountant

(A Professional Accounting Corporation)

December 30, 2011

OUACHITA PARISH SCHOOL BOARD
Monroe, Louisiana

Schedules Required by State Law
Fiscal Year Ended June 30, 2011

Schedule 1 - General Fund Instructional and Support Expenditures and Certain Local Revenue Sources

This schedule includes general fund instructional and equipment expenditures. It also contains local taxation revenue, earnings on investments in real property, revenue in lieu of taxes, and nonpublic textbook and transportation revenue. This data is used either in the Minimum Foundation Program (MFP) formula or is presented annually in the MFP 70% Expenditure Requirement Report.

Schedule 2 - Education Levels of Public School Staff

This schedule includes the certificated and uncertificated number and percentage of full-time classroom teachers and the number and percentage of principals and assistant principals with less than a Bachelor's; Bachelor's; Master's; Master's +30; Specialist in Education; and Ph. D or Ed. D. degrees. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

Schedule 3 - Number and Type of Public Schools

This schedule includes the number of elementary, middle/junior high, secondary and combination schools in operation during the fiscal year. This data is currently reported to the Legislature in the AFSR.

Schedule 4 - Experience of Public Principals, Assistant Principals and Full-time Classroom Teachers

This schedule includes the number of years of experience in teaching for assistant principals, principals, and full-time classroom teachers. This data is currently reported to the Legislature in the AFSR.

Schedule 5 - Public School Staff Data: Average Salaries

This schedule includes average classroom teacher's salary using full-time equivalents, including and excluding ROTC and rehired retiree teachers. This data is currently reported to the Legislature in the AFSR.

Schedule 6 - Class Size Characteristics

This schedule includes the percent and number of classes with student enrollment in the following ranges: 1-20, 21-26, 27-33, and 34+ students. This data is currently reported to the Legislature in the Annual School Report (ASR).

OUACHITA PARISH SCHOOL BOARD
Monroe, Louisiana

Schedules Required by State Law
Fiscal Year Ended June 30, 2011

Schedule 7 - Louisiana Educational Assessment Program (LEAP)

This schedule represents student performance testing data and includes summary scores by district for grades 4 and 8 in each category tested. Scores are reported as Advanced, Proficient, Basic, Approaching Basic, and Unsatisfactory. This schedule includes three years of data.

Schedule 8 - Graduation Exit Exam (GEE)

This schedule represents student performance testing data and includes summary scores by district for grades 10 and 11 in each category tested. Scores are reported as Advanced, Proficient, Basic, Approaching Basic, and Unsatisfactory. This schedule includes three years of data.

Schedule 9 - iLEAP Tests

This schedule represents student performance testing data and includes a summary score for grades 3, 5, 6, 7 and 9 for this district. The summary score reported is the National Percentile Rank showing relative position or rank as compared to a large, representative sample of students in the same grade from the entire nation. This schedule includes three years of data.

During fiscal year 2011, grade 9 did not take the iLeap. As a result, no testing data was available for this grade on the Louisiana Department of Education's website. Freshmen entering high school in the fiscal year 2011 school year and thereafter will not take the GEE. These students must pass three End-of-Course (EOC) tests in the following categories: English II or English III, Algebra I or Geometry, and Biology or American History. Thus, the EOC tests will replace the GEE for graduation purposes. EOC testing begins in fiscal year 2012.

OUACHITA PARISH SCHOOL BOARD
Monroe, Louisiana

**General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
Fiscal Year Ended June 30, 2011**

General Fund Instructional and Equipment Expenditures**General Fund Instructional Expenditures:****Teacher and Student Interaction Activities:**

Classroom Teacher Salaries	\$ 48,943,726	
Other Instructional Staff Activities	4,859,154	
Instructional Staff Employee Benefits	22,117,144	
Purchased Professional and Technical Services	119,070	
Instructional Materials and Supplies	2,557,444	
Instructional Equipment	61,089	
Total Teacher and Student Interaction Activities		\$ 78,657,627

Other Instructional Activities

248,463

Pupil Support Activities

6,837,850

Less: Equipment for Pupil Support Activities

-

Net Pupil Support Activities

6,837,850

Instructional Staff Services

5,528,996

Less: Equipment for Instructional Staff Services

(5,999)

Net Instructional Staff Services

5,522,997

School Administration:

10,204,774

Less: Equipment for Instructional Staff Services

-

Net School Administration

10,204,774

Total General Fund Instructional Expenditures

\$ 101,471,711

Total General Fund Equipment Expenditures

\$ 362,809

Certain Local Revenue Sources**Local Taxation Revenue:**

Constitutional Ad Valorem Taxes	\$ 2,726,028
Renewable Ad Valorem Tax	12,773,373
Debt Service Ad Valorem Tax	5,774,612
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	532,787
Sales and Use Taxes	37,627,495
Total Local Taxation Revenue	\$ 59,434,295

Local Earnings on Investment in Real Property:

Earnings from 16th Section Property	\$ 21,565
Earnings from Other Real Property	-
Total Local Earnings on Investment in Real Property	\$ 21,565

State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax	\$ 189,522
Revenue Sharing - Other Taxes	635,886
Revenue Sharing - Excess Portion	-
Other Revenue in Lieu of Taxes	-
Total State Revenue in Lieu of Taxes	\$ 825,408

Nonpublic Textbook Revenue

\$ -

Nonpublic Transportation Revenue

\$ -

OUACHITA PARISH SCHOOL BOARD
Monroe, Louisiana

Education Levels of Public School Staff
As of October 1, 2010

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	5	0.4%	-	0.0%	-	0.0%	-	-
Bachelor's Degree	742	55.8%	15	1.1%	-	0.0%	-	-
Master's Degree	360	27.1%	3	0.2%	25	30.9%	-	-
Master's Degree + 30	190	14.3%	-	0.0%	51	63.0%	-	-
Specialist in Education	8	0.6%	-	0.0%	1	1.2%	-	-
Ph. D. or Ed. D.	7	0.5%	-	0.0%	4	4.9%	-	-
Total	1,312	98.6%	18	1.4%	81	100.0%	-	-

Schedule 3

**OUACHITA PARISH SCHOOL BOARD
Monroe, Louisiana**

**Number and Type of Public Schools
Fiscal Year Ended June 30, 2011**

<u>Type</u>	<u>Number</u>
Elementary	21
Middle/Jr. High	7
Secondary	4
Combination	<u>3</u>
Total	<u><u>35</u></u>

OUACHITA PARISH SCHOOL BOARD
Monroe, Louisiana

Experience of Public Principals, Assistant Principals and Full-time Classroom Teachers
As of October 1, 2010

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals	-	-	3	3	8	9	23	46
Principals	-	-	-	1	6	8	20	35
Classroom Teachers	107	112	351	161	201	141	257	1,330
Total	107	112	354	165	215	158	300	1,411

OUACHITA PARISH SCHOOL BOARD
Monroe, Louisiana

Public School Staff Data: Average Salaries
Fiscal Year Ended June 30, 2011

	<u>All Classroom Teachers</u>	<u>Classroom Teachers Excluding ROTC, Rehired Retirees, and Flagged Salary Reductions</u>
Average Classroom Teachers' Salary Including Extra Compensation	\$49,172	\$48,852
Average Classroom Teachers' Salary Excluding Extra Compensation	\$48,202	\$47,898
Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries	1,325	1,300

Note: Figures reported include all sources of funding (i.e., federal, state, and local) but exclude stipends and employee benefits. Generally, retired teachers rehired to teach receive less compensation than non-retired teachers; some teachers may have been flagged as receiving reduced salaries (e.g., extended medical leave); and ROTC teachers usually receive more compensation because of a federal supplement. For these reasons, these teachers are excluded from the computation in the last column. This schedule excludes day-to-day substitutes, temporary employees, and any teachers on sabbatical leave during any part of the school year.

OUACHITA PARISH SCHOOL BOARD
Monroe, Louisiana

Class Size Characteristics
As of October 1, 2010

School Type	Class Size Range							
	1-20		21-26		27-33		34+	
	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number
Elementary	53.21%	1,999	43.12%	1,620	3.67%	138	0.00%	-
Elementary Activity Classes	40.50%	307	52.90%	401	6.60%	50	0.00%	-
Middle/Jr. High	59.81%	860	33.66%	484	6.54%	94	0.00%	-
Middle/Jr. High Activity Classes	81.14%	327	9.68%	39	5.96%	24	3.23%	13
High	72.24%	1,561	24.48%	529	3.24%	70	0.05%	1
High Activity Classes	91.01%	415	3.73%	17	2.63%	12	2.63%	12
Combination	100.00%	140	0.00%	-	0.00%	-	0.00%	-
Combination Activity Classes	100.00%	9	0.00%	-	0.00%	-	0.00%	-
Total		5,618		3,090		388		26

Note: The Board of Elementary and Secondary Education has set specific limits on the maximum size of classes at various grade levels. The maximum enrollment in grades K-3 is 26 students and maximum enrollment in grades 4-12 is 33 students. These limits do not apply to activity classes such as physical education, chorus, band, and other classes without maximum enrollment standards. Therefore, these classes are included only as separate line items.

OUACHITA PARISH SCHOOL BOARD
Monroe, Louisiana

Louisiana Educational Assessment Program (LEAP)
Three Fiscal Years Ended June 30, 2011

District Achievement Level Results	English Language Arts						Mathematics					
	2011		2010		2009		2011		2010		2009	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	136	9	114	8	64	4	132	9	109	7	72	5
Mastery	421	29	333	22	415	28	384	27	386	26	260	17
Basic	643	44	712	48	744	49	675	47	676	46	795	53
Approaching Basic	206	14	209	14	224	15	174	12	203	14	257	17
Unsatisfactory	43	3	113	8	61	4	84	6	107	7	124	8
Total	1,449		1,481		1,508		1,449		1,481		1,508	

District Achievement Level Results	Science						Social Studies					
	2011		2010		2009		2011		2010		2009	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	66	5	66	4	173	11	94	6	59	4	56	4
Mastery	333	23	304	21	334	22	349	24	320	22	346	23
Basic	709	49	739	50	691	46	790	55	827	56	773	51
Approaching Basic	290	20	290	20	240	16	151	10	174	12	231	15
Unsatisfactory	50	3	83	5	69	5	64	4	102	7	102	7
Total	1,448		1,482		1,507		1,448		1,482		1,508	

District Achievement Level Results	English Language Arts						Mathematics					
	2011		2010		2009		2011		2010		2009	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	95	7	59	4	32	2	56	4	76	6	130	10
Mastery	339	25	277	21	299	23	77	6	86	6	116	9
Basic	604	44	620	46	675	51	833	61	785	58	710	54
Approaching Basic	297	22	319	24	271	21	294	21	275	20	242	18
Unsatisfactory	40	3	68	5	43	3	115	8	122	9	119	9
Total	1,375		1,343		1,320		1,375		1,344		1,317	

District Achievement Level Results	Science						Social Studies					
	2011		2010		2009		2011		2010		2009	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	31	2	41	3	97	7	45	3	32	2	37	3
Mastery	332	24	273	20	314	24	244	18	218	16	223	17
Basic	557	41	594	44	516	39	672	49	698	52	701	53
Approaching Basic	330	24	319	24	298	23	316	23	246	18	245	19
Unsatisfactory	124	9	113	8	90	7	96	7	144	11	109	8
Total	1,374		1,340		1,315		1,373		1,338		1,315	

OUACHITA PARISH SCHOOL BOARD
Monroe, Louisiana

Graduation Exit Exam
Three Fiscal Years Ended June 30, 2011

District Achievement Level Results	English Language Arts						Mathematics					
	2011		2010		2009		2011		2010		2009	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 10												
Advanced	21	2	16	1	30	3	196	17	132	12	193	17
Mastery	173	15	181	16	166	15	222	19	249	22	186	16
Basic	625	54	591	52	590	52	484	42	483	43	523	46
Approaching Basic	254	22	252	22	262	23	148	13	147	14	160	14
Unsatisfactory	82	7	89	8	95	8	105	9	120	11	77	7
Total	1,155		1,129		1,143		1,155		1,131		1,139	

District Achievement Level Results	Science						Social Studies					
	2011		2010		2009		2011		2010		2009	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 11												
Advanced	50	5	51	5	46	5	9	1	7	1	11	1
Mastery	235	22	198	18	217	22	98	9	125	12	108	11
Basic	442	42	484	45	406	41	601	57	636	59	564	57
Approaching Basic	212	20	264	24	220	22	225	21	224	21	181	18
Unsatisfactory	124	12	82	8	102	10	130	12	87	8	127	13
Total	1,063		1,079		991		1,063		1,079		991	

OUACHITA PARISH SCHOOL BOARD
iLEAP Tests
Three Fiscal Years Ended June 30, 2011

iLEAP Tests

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2009		2009		2009		2009	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	100	7	173	12	83	6	25	2
Mastery	417	28	361	24	315	21	367	25
Basic	663	45	652	44	683	46	713	48
Approaching Basic	202	14	211	14	308	21	252	17
Unsatisfactory	92	6	77	5	84	6	114	8
Total	1474		1474		1473		1471	

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2009		2009		2009		2009	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	70	5	124	9	85	6	64	5
Mastery	335	25	197	14	278	20	280	21
Basic	706	52	721	53	672	49	689	51
Approaching Basic	195	14	201	15	259	19	231	17
Unsatisfactory	57	4	121	9	69	5	99	7
Total	1363		1364		1363		1363	

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2009		2009		2009		2009	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	52	4	126	9	62	5	94	7
Mastery	268	20	240	18	284	21	176	13
Basic	786	58	768	56	623	46	693	51
Approaching Basic	188	14	137	10	289	21	280	21
Unsatisfactory	66	5	89	7	99	7	114	8
Total	1360		1360		1357		1357	

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2009		2009		2009		2009	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	86	6	128	9	64	5	47	3
Mastery	293	21	228	16	331	24	279	20
Basic	702	50	719	51	615	44	678	48
Approaching Basic	237	17	208	15	282	20	288	21
Unsatisfactory	91	6	126	9	115	8	111	8
Total	1409		1409		1407		1403	

District Achievement Level Results	English Language Arts		Mathematics	
	2009		2009	
	Number	Percent	Number	Percent
Grade 9				
Advanced	10	1	108	8
Mastery	223	18	241	19
Basic	754	59	615	48
Approaching Basic	236	19	189	15
Unsatisfactory	51	4	122	10
Total	1274		1275	

Continued

OUACHITA PARISH SCHOOL BOARD
ILEAP Tests
Three Fiscal Years Ended June 30, 2011

ILEAP Tests

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2010		2010		2010		2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	83	5	105	7	77	5	53	3
Mastery	397	26	388	25	287	19	305	20
Basic	665	44	649	43	713	47	754	50
Approaching Basic	244	16	244	16	348	23	265	17
Unsatisfactory	134	9	137	9	98	6	146	10
Total	1523		1523		1523		1523	

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2010		2010		2010		2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	70	5	115	8	67	5	119	8
Mastery	362	26	241	17	320	23	207	15
Basic	645	46	723	51	628	44	685	48
Approaching Basic	263	19	198	14	326	23	261	18
Unsatisfactory	75	5	138	10	74	5	142	10
Total	1415		1415		1415		1414	

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2010		2010		2010		2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	82	6	78	6	62	4	120	9
Mastery	377	27	232	17	288	21	196	14
Basic	670	48	822	59	644	46	645	46
Approaching Basic	196	14	161	12	307	22	297	21
Unsatisfactory	64	5	97	7	88	6	131	9
Total	1389		1390		1389		1389	

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2010		2010		2010		2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	115	8	92	6	68	5	38	3
Mastery	272	19	214	15	331	23	266	19
Basic	699	49	801	56	608	43	772	54
Approaching Basic	279	20	209	15	312	22	199	14
Unsatisfactory	59	4	107	8	104	7	148	10
Total	1424		1423		1423		1423	

District Achievement Level Results	English Language Arts		Mathematics	
	2010		2010	
	Number	Percent	Number	Percent
Grade 9				
Advanced	40	3	151	12
Mastery	231	18	177	14
Basic	706	56	664	53
Approaching Basic	248	20	153	12
Unsatisfactory	28	2	108	9
Total	1253		1253	

Continued

OUACHITA PARISH SCHOOL BOARD
ILEAP Tests
Three Fiscal Years Ended June 30, 2011

ILEAP Tests

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2011		2011		2011		2011	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	109	7	141	9	93	6	59	4
Mastery	413	27	297	19	343	22	293	19
Basic	697	45	733	47	669	43	778	50
Approaching Basic	218	14	231	15	328	21	266	17
Unsatisfactory	112	7	147	9	116	7	153	10
Total	1549		1549		1549		1549	

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2011		2011		2011		2011	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	102	7	152	11	97	7	87	6
Mastery	369	27	245	18	307	22	296	21
Basic	664	48	670	48	619	45	681	49
Approaching Basic	178	13	174	13	290	21	189	14
Unsatisfactory	72	5	144	10	72	5	132	10
Total	1385		1385		1385		1385	

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2011		2011		2011		2011	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	71	5	144	10	88	6	149	10
Mastery	343	24	191	13	275	19	210	14
Basic	751	52	791	55	738	51	687	47
Approaching Basic	228	16	200	14	288	20	272	19
Unsatisfactory	57	4	125	9	61	4	132	9
Total	1450		1451		1450		1450	

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2011		2011		2011		2011	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	103	7	106	7	49	3	57	4
Mastery	346	24	173	12	281	20	227	16
Basic	698	49	813	57	699	49	714	50
Approaching Basic	243	17	253	18	307	21	272	19
Unsatisfactory	46	3	92	6	99	7	166	12
Total	1436		1437		1435		1436	

District Achievement Level Results	English Language Arts		Mathematics	
	2011		2011	
	Number	Percent	Number	Percent
Grade 9				
Advanced	N/A	N/A	N/A	N/A
Mastery	N/A	N/A	N/A	N/A
Basic	N/A	N/A	N/A	N/A
Approaching Basic	N/A	N/A	N/A	N/A
Unsatisfactory	N/A	N/A	N/A	N/A
Total	0		0	

Concluded